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NEW APPLICATION

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Arizona Corporation Commission

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December 31, 1997

E-61345A-97-0773

David P. Jankofsky
Acting Director, Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

**Re: Filing by Arizona Public Service Company pursuant to
A.A.C. R14-2-1601, et seq.**

Dear Mr. Jankofsky:

On December 26, 1996 the Arizona Corporation Commission ("Commission") put in place a rule making to bring competition to the electric utility industry. At that time, the rule making was described as a "framework" onto which a considerable amount of superstructure was to be added in 1997. In fact, several workshops were provided for in the rule making to build that additional structure. Since that time, the needed substance has not been added to the "framework." The workshops have not provided specific answers or even recommendations, and no other means have been used to produce such answers and recommendations.

Pursuant to A.A.C. R14-2-1601, *et seq.* ("the Electric Competition Rules"), Arizona Public Service Company ("APS" or "Company") and other "Affected Utilities" are to "file tariffs consistent with this Article." See Electric Competition Rule 1602. However, as mentioned above, clarification of the Electric Competition Rules has not taken place in 1997 as originally envisioned. However, APS has always assumed that Electric Competition Rule 1602 added nothing to the more specific filing requirements under the Electric Competition Rules except for providing a date for this submission to the Commission. Therefore, the balance of this filing will address these more specific requirements of the Electric Competition Rules.

Under Electric Competition Rule 1604, it was anticipated that the Commission Staff would have specific recommendations on customer selection at least ninety (90) days prior to this date. See Electric Competition Rule 1604(E)(4). That has not happened, and

At the November 24 and 25, 1997 open meetings, the Commission instructed this (the unbundled rate) working group to continue its efforts at reaching consensus.¹ Therefore, rather than submit a "placeholder" filing, APS continues to request additional clarification, as was intended in the rule making, in order to make a more meaningful filing that will allow competition to begin 1/1/99.

The unbundling working group was also assigned the task of determining the proper calculation method for the system benefits charge ("SBC") under Electric Competition Rule 1608. *See* Electric Competition Rule 1608(D). This task also remains unfinished as do the related issues of SBC administration and assessment. APS continues to work with members of the task force on each of these issues.

Despite the lack of progress to date by the various task forces and working groups established by the Electric Competition Rules, APS remains committed to starting electric competition in 1999. A clear and focused effort is required by the Commission in 1998 in order to bring competition to Arizona and minimize the possibility of substantial unintended consequences. APS calls on other interested parties to support its call for an acceleration of the Commission's process of scheduling the non-stranded cost evidentiary hearings on the many issues identified herein and still unresolved, as is called for by Decision No. 60351 (August 29, 1997).

Sincerely,



Donald G. Robinson
Director Pricing, Regulation, Planning

cc: Original and 10 copies
filed with Docket Control

¹ This will likely prove difficult without the Commission stepping in to direct that evidentiary hearings be conducted and a final order issued that will be binding on all participants.

ARIZONA PUBLIC SERVICE COMPANY

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Direct Access Rate Schedules

RESIDENTIAL

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ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5284
 Tariff or Schedule No. DA-3
 Original Tariff
 Effective:

RESIDENTIAL DIRECT ACCESS ENERGY SUPPORT PROGRAMAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company and where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric service under Residential Direct Access Rate Schedules where the customer has qualified for this rate as specified in the Company's plan for administration. All provisions of the applicable Residential Direct Access Rate Schedule will apply except as modified herein.

MONTHLY BILL

The monthly bill shall be in accordance with the above specified schedules except:

For Bills with Usage of:	The Total Bill (before any applicable Credits, Taxes and Regulatory Assessments) Will be Discounted by:
0-400 kWh	30%
401-800 kWh	20%
801-1200 kWh	10%
1201 kWh and above	\$10.00

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5229
 Tariff or Schedule No. DA-4
 Original Tariff
 Effective:

DIRECT ACCESS MEDICAL CARE EQUIPMENT PROGRAMAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric service under Residential Direct Access Rate Schedules where the customer has qualified for this rate as specified in the Company's plan for administration. All provisions of the applicable Residential Direct Access Rate Schedule will apply except as modified herein.

MONTHLY BILL

The monthly bill shall be in accordance with above specified schedules except:

For Bills with <u>Usage of:</u>		The Total Bill (before any applicable Credits, Taxes and Regulatory Assessments) Will be <u>Discounted by:</u>	
0-800	kWh		30%
801-1400	kWh		20%
1401-2000	kWh		10%
2001	kWh and above		\$20.00

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: Donald G. Robinson
Title: Director, Pricing Regulation and Planning

A.C.C. No. 5286
Tariff or Schedule No. DA-10
Original Tariff
Effective:

RESIDENTIAL DIRECT ACCESS SERVICEAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603, except as stated below. This rate schedule is applicable only to electric delivery required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one premise through one point of delivery and measured through one meter. For those dwellings and apartments where electric service has historically been measured through two meters, when one of the meters was installed pursuant to a water heating or space heating rate schedule no longer in effect, the electric service measured by such meters shall be combined for billing purposes.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-10 as of the date that the customer becomes eligible for direct access service as established by the Arizona Corporation Commission.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

TYPE OF SERVICE

Service shall be single phase, 60 Hertz, at one standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's premise). Three phase service is furnished under the Company's Conditions Governing Extensions of Electric Distribution Lines and Service (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is required for motors of an individual rated capacity of 7-1/2 HP or more.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

May-October	\$ 7.50	Basic Service Charge, plus
Billing Cycles	0.07362	per kWh first 400 kWh
(Summer)	0.10125	per kWh next 400 kWh
	0.10402	per kWh all additional kWh
November-April	\$ 7.50	Basic Service Charge, plus
Billing Cycles	0.08384	per kWh for all kWh
(Winter)		

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and

(CONTINUED ON REVERSE SIDE)

2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

B. MINIMUM \$ 7.50 per month

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

FROZEN

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5287
 Tariff or Schedule No. DA-12
 Original Tariff
 Effective:

RESIDENTIAL DIRECT ACCESS SERVICEAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company and where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable only to electric delivery required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one point of delivery and measured through one meter. For those dwellings and apartments where electric service has historically been measured through two meters, when one of the meters was installed pursuant to a water heating or space heating rate schedule no longer in effect, the electric service measured by such meters shall be combined for billing purposes.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

TYPE OF SERVICE

Service shall be single phase, 60 Hertz, at one standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's premise). Three phase service is furnished under the Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is required for motors of an individual rated capacity of 7-1/2 HP or more.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

May-October	\$ 7.50	Basic Service Charge, plus
Billing Cycles	0.08127	per kWh first 400 kWh
(Summer)	0.11329	per kWh next 400 kWh
	0.13212	per kWh all additional kWh
November-April	\$ 7.50	Basic Service Charge, plus
Billing Cycles	0.08146	per kWh for all kWh
(Winter)		

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and

3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

B. MINIMUM \$ 7.50 per month

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5288
 Tariff or Schedule No. DAC-1
 Original Tariff
 Effective:

RESIDENTIAL DIRECT ACCESS SERVICE WITH DEMAND CHARGEAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603, except as stated below. This rate schedule is applicable only to electric delivery required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one premise through one point of delivery and measured through one meter.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is applicable only to those customers being served on the Company's Rate Schedule EC-1 as of the date that the customer becomes eligible for direct access service established by the Arizona Corporation Commission, except those customers who have installed and operate either a solar water heater, installed by a registered installer, or an electric heat pump water heater.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

TYPE OF SERVICE

Single phase, 60 Hertz, at one standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's premise). Three phase service is furnished under the Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is required for motors of an individual rated capacity of 7-1/2 HP or more.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

<u>A. RATE</u>		
May-October Billing Cycles (Summer)	\$10.00 10.84 0.04216	Basic Service Charge, plus per kW Capacity Charge (but not more than \$0.08672 per kWh for all kWh use), plus per kWh for all kWh
November-April Billing Cycles (Winter)	\$10.00 7.77 0.03499	Basic Service Charge, plus per kW Capacity Charge (but not more than \$0.06216 per kWh for all kWh use), plus per kWh for all kWh

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and

2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

DETERMINATION OF KW CAPACITY

The kW used for billing purposes shall be the average kW supplied during the 60-minute period of maximum use during the month, as determined from readings of the delivery meter. In the event the meter is inaccessible to the meter reader due to locked gates or because of safety limitations, the kW shall be that measured since the last resetting of the kW dial. If the kW dial was not reset, the Customer may request a resetting to zero for a charge of \$10 per trip. However, the request from the Customer must be within three (3) days of notification that the meter reader was unable to reset the kW dial. The kW dial will be reset to zero, unless the registered kW at the reset time is greater than the registered kW at the last scheduled reading. The billing kW shall be the kW registered on the kW dial at the next scheduled reading.

B. MINIMUM \$10.00 per month

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5289
 Tariff or Schedule No. DACT-1R
 Original Tariff
 Effective:

RESIDENTIAL DIRECT ACCESS SERVICE
TIME-OF-USE
WITH DEMAND CHARGE

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company and where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable only to electric delivery required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one point of delivery and measured through one meter.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

TYPE OF SERVICE

Single phase, 60 Hertz, at one standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's premise). Three phase service is furnished under the Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is required for motors of an individual rated capacity of 7-1/2 HP or more.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

May-October	\$15.00	Basic Service Charge, plus
Billing Cycles	12.48	per kW Capacity Charge On-Peak, (but not more
(Summer)		than \$0.09984 per kWh for all kWh use), plus
	0.05038	per kWh On-Peak
	0.02801	per kWh Off-Peak
November-April	\$15.00	Basic Service Charge, plus
Billing Cycles	8.94	per kW Capacity Charge On-Peak, (but not more
(Winter)		than \$0.07152 per kWh for all kWh use), plus
	0.03987	per kWh On-Peak
	0.02801	per kWh Off-Peak

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and

(CONTINUED ON REVERSE SIDE)

2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

DETERMINATION OF KW CAPACITY

The kW used for billing purposes shall be the average kW supplied during the 60-minute period of maximum use between 9 a.m. and 9 p.m. Monday through Friday of the billing month, as determined from readings of the delivery meter. In the event the meter is inaccessible to the meter reader due to locked gates or because of safety limitations, the kW shall be that measured since the last resetting of the kW dial. If the kW dial was not reset, the Customer may request a resetting to zero for a charge of \$10 per trip. However, the request from the Customer must be within three (3) days of notification that the meter reader was unable to reset the kW dial. The kW dial will be reset to zero, unless the registered kW at the reset time is greater than the registered kW at the last scheduled reading. The billing kW shall be the kW registered on the kW dial at the next scheduled reading.

TIME PERIODS

On-Peak Period: 9 a.m. - 9 p.m., Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

B. MINIMUM \$15.00 per month

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5290
 Tariff or Schedule No. DAT-1
 Original Tariff
 Effective:

RESIDENTIAL DIRECT ACCESS SERVICE
TIME OF USE

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company and where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable only to electric delivery required for residential purposes in individual private dwellings and in individually metered apartments when such service is supplied at one point of delivery and measured through one meter.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

TYPE OF SERVICE

Single phase, 60 Hertz, at one standard voltage (120/240 or 120/208 as may be selected by customer subject to availability at the customer's premise). Three phase service is furnished under the Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is required for motors of an individual rated capacity of 7-1/2 HP or more.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

May-October	\$15.00	Basic Service Charge, plus
Billing Cycles	0.14120	per kWh On-Peak
(Summer)	0.04551	per kWh Off-Peak

November-April	\$15.00	Basic Service Charge, plus
Billing Cycles	0.11741	per kWh On-Peak
(Winter)	0.04551	per kWh Off-Peak

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and

3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

TIME PERIODS

On-Peak Period: 9 a.m. - 9 p.m., Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads, the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

B. MINIMUM \$15.00 per month

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5291
 Tariff or Schedule No. DA-281
 Original Tariff
 Effective:

RESIDENTIAL DIRECT ACCESS SERVICEAVAILABILITY

This rate schedule is available at Cave Creek Pines Units 3-7 Line (that line including laterals and extensions, which extends from approximately 900 feet west of SE corner of Section 33, T. 15N., R. 11E.) at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to minimums for electric service billed under Residential Direct Access Rate Schedules.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

All provisions of the applicable Residential Direct Access Rate Schedule will apply except as specifically modified herein.

MINIMUM

Application of the various "Phases" are applicable based upon the number of customers being served during the month from the Clear Creek Pines Units 3-7 Line:

<u>Phase</u>	<u>No. of Customers</u>	<u>Charge Per Month</u>	<u>Annual* Minimum Charges (as calculated before Credits, Taxes and Regulatory Assessments) Not to Exceed</u>
1	1 - 164	\$27.62	\$331.44
2	165 - 299	20.72	248.64
3	300 or more	The minimum as specified in the applicable rate schedule.	

*12 months ending with the current month.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5292
 Tariff or Schedule No. DA-284
 Original Tariff
 Effective:

RESIDENTIAL DIRECT ACCESS SERVICEAVAILABILITY

This rate schedule is available at Government Prairie Line (that line including laterals and extensions, which extends from the W 1/4 of Section 13, T. 22N., R 4E. of the G & SRB & M) at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to minimums for electric service billed under Residential Direct Access Rate Schedules.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

All provisions of the applicable Residential Direct Access Rate Schedule will apply except as specifically modified herein.

MINIMUM

Line: Application of the various "Phases" are applicable based upon the number of customers being served during the month from the Government Prairie

<u>Phase</u>	<u>No. of Customers</u>	<u>Charge Per Month</u>	<u>Annual* Minimum Charges (as calculated before Credits, Taxes and Regulatory Assessments) Not to Exceed</u>
1	1 - 18	\$55.25	\$663.00
2	19 - 25	41.42	497.04
3	26 - 38	27.62	331.44
4	39 - 50	20.72	248.64
5	51 or more	The minimum as specified in the applicable rate schedule.	

*12 months ending with the current month.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: Donald G. Robinson
Title: Director, Pricing Regulation and Planning

A.C.C. No. 5293
Tariff or Schedule No. DA-21
Original Tariff
Effective:

SMALL DIRECT ACCESS GENERAL SERVICE
TIME OF USE
LESS THAN 100 KW

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. A maximum of sixty (60) customers with a demand of 0-40 kW, twenty-five (25) with a demand of 41-70 kW and fifteen with a demand of 71-100 kW, for a total of one hundred (100) customers, may be served either on this rate or on Rate Schedule E-21. The initial assignment to this rate will be based on the highest actual or estimated demand, on-peak or off-peak, in a continuous twelve (12) month period. The customers will be selected and approved by the Director of the Utilities Division after consultation with all interested parties.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603 whose monthly maximum demand is 100 kW or less. In the event the demand exceeds 100 kW for three (3) consecutive months, this rate is no longer applicable. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4).

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-21 as of the date that the customer becomes eligible for direct access service as established by the Arizona Corporation Commission.

This rate schedule is not applicable to breakdown, standby, supplementary, residential or resale service.

TYPE OF SERVICE

Service shall be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to the availability at the customer's premise. Three phase service is furnished under Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceed 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

June-October	\$27.00	Basic Service Charge, plus
Billing Cycles	2.10	per kW* Demand Charge On-Peak
(Summer)	0.12676	per kWh On-Peak
	0.06122	per kWh Off-Peak
November-May	\$27.00	Basic Service Charge
Billing Cycles	1.91	per kW* Demand Charge On-Peak
(Winter)	0.11148	per kWh On-Peak
	0.5487	per kWh Off-Peak

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

- In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

DETERMINATION OF KW DEMAND

The kW used for billing purposes shall be the average kW demands supplied during the 15-minute periods of maximum use during the On-Peak and Off-Peak periods of the month, as determined from the reading of the delivery meter.

TIME PERIODS

On-Peak Period: 11 a.m. - 9 p.m., Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

B. MINIMUM

\$20.00 plus \$1.76 for each kW in excess of five of either the highest kW established during either the On- or Off-Peak period during the 12 months ending with the current month or the minimum kW specified in the agreement for service, whichever is the greater.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS AND CONTRACT PROVISIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service, and/or special terms and conditions at Company's option as provided for in any contract or agreement for service with any customer subject hereto.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5294
 Tariff or Schedule No. DA-22
 Original Tariff
 Effective:

SMALL DIRECT ACCESS GENERAL SERVICE
TIME OF USE

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. A maximum of three hundred (300) customers, selected and approved by the Director of the Utilities Division after consultation with all interested parties, may be served either on this rate or on Rate Schedule E-22.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4).

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary, residential or resale service, nor to service for which Rate Schedule E-34 is applicable.

TYPE OF SERVICE

Service shall be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to the availability at the customer's premise. Three phase service is furnished under Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceed 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

June-October	\$27.00	Basic Service Charge, plus
Billing Cycles	2.33	per kW* Demand Charge On-Peak
(Summer)	0.12705	per kWh On-Peak
	0.07832	per kWh Off-Peak
November-May	\$27.00	Basic Service Charge
Billing Cycles	2.11	per kW* Demand Charge On-Peak
(Winter)	0.11349	per kWh On-Peak
	0.06737	per kWh Off-Peak

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and

(CONTINUED ON REVERSE SIDE)

2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

- * In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

DETERMINATION OF KW DEMAND

The kW used for billing purposes shall be the average kW demands supplied during the 15-minute periods of maximum use during the On-Peak and Off-Peak periods of the month, as determined from the reading of the delivery meter.

TIME PERIODS

On-Peak Period: 11 a.m. - 9 p.m., Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

B. MINIMUM

\$20.00 plus \$1.76 for each kW in excess of five of either the highest kW established during either the On- or Off-Peak period during the 12 months ending with the current month or the minimum kW specified in the agreement for service, whichever is the greater.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS AND CONTRACT PROVISIONS

This rate schedule is subject to Company's Terms and Conditions for the Sale of Electric Service, and/or special terms and conditions at Company's option as provided for in any contract or agreement for service with any customer subject hereto.

ELECTRIC RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5295
 Tariff or Schedule No. DA-23
 Original Tariff
 Effective:

MEDIUM DIRECT ACCESS GENERAL SERVICE
TIME OF USE

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. A maximum of one hundred and fifty (150) customers, selected and approved by the Director of the Utilities Division after consultation with all interested parties, may be served either on this rate or on Rate Schedule E-23.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A. C. R14-2-1603. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4).

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary, residential or resale service, nor to service for which Rate Schedule E-34 is applicable.

TYPE OF SERVICE

Service shall be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to the availability at the customer's premise. Three phase service is furnished under Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceed 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Retail Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

June-October	\$58.00	Basic Service Charge, plus
Billing Cycles	6.72	per kW* Demand Charge On-Peak
(Summer)	0.08553	per kWh On-Peak
	0.06122	per kWh Off-Peak
November-May	\$58.00	Basic Service Charge
Billing Cycles	6.10	per kW* Demand Charge On-Peak
(Winter)	0.07678	per kWh On-Peak
	0.05487	per kWh Off-Peak

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and

2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

- * In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

DETERMINATION OF KW DEMAND

The kW used for billing purposes shall be the average kW demands supplied during the 15-minute periods of maximum use during the On-Peak and Off-Peak periods of the month, as determined from the reading of the delivery meter.

TIME PERIODS

On-Peak Period: 11 a.m. - 9 p.m., Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

B. MINIMUM

\$20.00 plus \$1.76 for each kW in excess of five of either the highest kW established during either the On- or Off-Peak period during the 12 months ending with the current month or the minimum kW specified in the agreement for service, whichever is the greater.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS AND CONTRACT PROVISIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service, and/or special terms and conditions at Company's option as provided for in any contract or agreement for service with any customer subject hereto.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5296
 Tariff or Schedule No. DA-24
 Original Tariff
 Effective:

LARGE DIRECT ACCESS GENERAL SERVICE
TIME OF USE

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. A maximum of fifty (50) customers, selected and approved by the Director of the Utilities Division after consultation with all interested parties, may be served either on this rate or on Rate Schedule E-24.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A. A. C. R14-2-1603. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4).

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary, residential or resale service, nor to service for which Rate Schedule E-34 is applicable.

TYPE OF SERVICE

Service shall be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to the availability at the customer's premise. Three phase service is furnished under Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceed 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

June-October	\$1,000.00	Basic Service Charge, plus
Billing Cycles	9.84	per kW* Demand Charge On-Peak
(Summer)	0.05536	per kWh On-Peak
	0.03978	per kWh Off-Peak
November-May	\$1,000.00	Basic Service Charge
Billing Cycles	8.91	per kW* Demand Charge On-Peak
(Winter)	0.04949	per kWh On-Peak
	0.03556	per kWh Off-Peak

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and

2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

- * In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

DETERMINATION OF KW DEMAND

The kW used for billing purposes shall be the average kW demands supplied during the 15-minute periods of maximum use during the On-Peak and Off-Peak periods of the month, as determined from the reading of the delivery meter.

TIME PERIODS

On-Peak Period: 11 a.m. - 9 p.m., Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

B. MINIMUM

\$20.00 plus \$1.76 for each kW in excess of five of either the highest kW established during either the On- or Off-Peak period during the 12 months ending with the current month or the minimum kW specified in the agreement for service, whichever is the greater.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS AND CONTRACT PROVISIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service, and/or special terms and conditions at Company's option as provided for in any contract or agreement for service with any customer subject hereto.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5297
 Tariff or Schedule No. DA-30
 Original Tariff
 Effective:

EXTRA SMALL DIRECT ACCESS GENERAL SERVICE
UNMETERED

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable only to electric service where the monthly demand and energy requirements are constant, subject to the limitations set forth in the Special Provisions of this schedule. Billing quantities must be subject to accurate determination without the use of metering equipment, and service must be supplied at one point of delivery.

This rate schedule will become effective upon the next scheduled billing cycle after the Company has verified that the customer has complied with the Company's requirements for direct access service.

This rate schedule is not applicable to breakdown, standby, supplementary, residential, or resale service.

TYPE OF SERVICE

Service shall be single phase, 60 Hertz, at one standard voltage (120/240 or 120/208 volts as may be selected by customer subject to availability at the customer's premise). The cost of service extension shall include transformation equipment, if required.

LOAD PROFILING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

June-October Billing Cycles (Summer)	\$6.25 0.11119	Basic Service Charge, plus per kWh for all kWh
November-May Billing Cycles (Winter)	\$6.25 0.10014	Basic Service Charge, plus per kWh for all kWh

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and

3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

B. MINIMUM \$6.25 per month

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. This rate schedule is applicable only to loads where monthly demand (kW) and energy (kWh) requirements remain constant. Monthly demand and energy requirements may not exceed 5 kW or 3,650 kWh, respectively, for each delivery point. Determination of fixed monthly energy usage will be based on an average 730 hour month.
2. Prior written approval by an authorized Company representative is required before service is implemented under this rate schedule.
3. Prior written approval by an authorized Company representative is required for any change in loads. Unauthorized load change will automatically disqualify customer from service under this rate schedule.
4. Company shall have the right to inspect customer's load facilities at any time to assure compliance with all provisions of this rate schedule.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5298
 Tariff or Schedule No. DA-32
 Original Tariff
 Effective:

DIRECT ACCESS GENERAL SERVICEAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to all electric service required when such service is supplied at one point of delivery and measured through one meter. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4). For those service locations where electric service has historically been measured through two meters, when one of the meters was installed pursuant to a water heating rate schedule no longer in effect, the electric service measured by such meters shall be combined for billing purposes.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary, residential or resale service, nor to service for which Rate Schedule E-34 is applicable.

TYPE OF SERVICE

Service shall be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to availability at the customer's premise. Three phase service is furnished under the Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceed 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

June-October	\$12.50	Basic Service Charge, plus
Billing Cycles	1.87	for each kW in excess of 5, plus
(Summer)	0.11142	per kWh for the first 2,500 kWh
	0.11142	per kWh for the next 100 kWh per kW over 5
	0.07635	per kWh for the next 42,000 kWh
	0.04809	per kWh for all additional kWh
November-May	\$12.50	Basic Service Charge, plus
Billing Cycles	1.69	for each kW in excess of 5, plus
(Winter)	0.10037	per kWh for the first 2,500 kWh
	0.10037	per kWh for the next 100 kWh per kW over 5
	0.06856	per kWh for the next 42,000 kWh
	0.04300	per kWh for all additional kWh

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and

(CONTINUED ON REVERSE SIDE)

2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

DETERMINATION OF KW

The kW used for billing purposes shall be the average kW supplied during the 15-minute period of maximum use during the month, as determined from readings of the delivery meter.

B. MINIMUM

\$12.50 plus \$1.76 for each kW in excess of five of either the highest kW established during the 12 months ending with the current month or the minimum kW specified in the agreement for service, whichever is the greater.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

BILLING FORMULA

The monthly bill computed under Section A of the Monthly Bill, prior to the addition of any applicable credits, may be calculated by applying the values in the following table to measured kW and kWh.

		SUMMER (June through October) (Billing Cycles)			WINTER (November through May) (Billing Cycles)		
		\$/kWh	\$/kW	\$ Adder	\$/kWh	\$/kW	\$ Adder
A.	For 0 to 5 kW:						
1.	If kWh ≤ 2,500	0.11142	0.00	12.50	0.10037	0.00	12.50
2.	If kWh > 2,500	0.07635	0.00	100.18	0.06856	0.00	92.03
B.	For kW > 5 kW:						
1.	If kWh ≤ (kW x 100)+2,000	0.11142	1.87	3.15	0.10037	1.69	4.05
2.	If kWh > (kW x 100)+2,000 and ≤ (kW x 100)+44,000	0.07635	5.377	73.29	0.06856	4.871	67.67
3.	If kWh > (kW x 100)+44,000	0.04809	8.203	1,316.73	0.04300	7.427	1,192.31

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to Company's Terms and Conditions for the Sale of Electric Service.

ARIZONA PUBLIC SERVICE COMPANY

METHOD FOR CALCULATING MARKET GENERATION CREDITS FOR DIRECT ACCESS CUSTOMERS

I. GENERAL DESCRIPTION:

The Market Generation Credit to be applied to all direct access rate schedules results from a specific calculation of the market price of energy delivered to the APS transmission system in a competitive generation market. The purpose of the credit is to remove market costs related to the generation of power from the rate structure for those customers who purchase such services from the direct access market through any certificated Electric Service Provider. This credit will be calculated and applied on a monthly basis to each bill rendered under any applicable direct access rate schedule.

II. CALCULATION METHODOLOGY:

The market price of energy for the Market Generation Credit will be calculated on an hourly basis utilizing the California PX market at the Southern California Hub or using the appropriate index determined by the ACC. This market price will be adjusted for the following:

1. Transmission Wheeling (if applicable) for delivery to the Palo Verde switchyard,
2. Administrative Charges by the California ISO and the PX, and
3. Transmission losses.

These hourly prices will be averaged over the most recently available historical 30-day period to obtain a monthly, average, market energy price. This price will be calculated on a monthly basis and applied to the monthly direct access bills.

III. APPLICATION:

The Market Generation Credit, as calculated above, will be applied to each applicable direct access billing on a per kilowatt-hour and/or per kilowatt basis as may be applicable for all energy and power delivered by APS.

ARIZONA PUBLIC SERVICE COMPANY
DIRECT ACCESS
CUSTOMER SELECTION METHODOLOGY

COMPETITION RULE COMPETITIVE PHASES:

Article 16 of the Arizona Administrative Code requires that Affected Utilities "propose for Commission review and approval how customers will be selected for participation in the competitive market prior to 2003." The Competition Rule contains specific requirements regarding who is eligible to participate in the competitive market (R14-2-1604). The first phase makes competition available by January 1, 1999 for at least 20 percent of an Affected Utility's 1995 system peak retail load with the following provisions:

- All customer classes are to be eligible
- At least 15 percent of eligible demand will be reserved for residential customers
- Customers with demands greater than 3 mW will account for no more than half of the eligible demand
- Loads of customers can be aggregated
- All customers producing or purchasing at least 10 percent of their annual electricity consumption from photovoltaic or solar thermal resources installed in Arizona after January 1, 1997 will be eligible, and
- No single customer can have more than 20 percent of the eligible demand in a given year.

The next phase begins January 1, 2001 under the following provisions:

- All customer classes are to be eligible
- At least 30 percent of eligible demand will be reserved for residential customers
- Customers with demands greater than 3 mW will account for no more than half of the eligible demand
- Loads of customers can be aggregated, and
- All customers producing or purchasing at least 10 percent of their annual electricity consumption from photovoltaic or solar thermal resources installed in Arizona after January 1, 1997 will be eligible

All remaining customers would be eligible no later than January 1, 2003.

The Rule also requires that the "method for selecting customers to participate in the competitive market must fairly allow participation by a wide variety of customers of all sizes of loads."

APS' PROPOSED ALTERNATIVE METHOD FOR CUSTOMER CHOICE PHASE-IN

The Competition Rule requires some selection process for determining which customers are eligible for choice, and any method is bound to be controversial and unfair to some customers.

APS proposes a plan that incorporates a phase-in of customers by size: the customers with a peak demand of at least 3 mW become eligible on January 1, 1999; customers with a peak demand of

ARIZONA PUBLIC SERVICE COMPANY

DIRECT ACCESS CUSTOMER SELECTION METHODOLOGY

1 mW become eligible on January 1, 2000; and all customers become eligible on January 1, 2001. This makes all customers eligible two full years before the schedule in the Competition Rule. The ACC rules could prevent similarly situated customers from participating in the competitive market for two years. This situation would be especially onerous for competitors in the same industry. For example, it would be untenable for one mining company to have its choice of supplier years sooner than another. Furthermore, large customers already have the required metering in place to participate in a competitive market and often have the resources and experience necessary to negotiate their energy purchases.

Additionally, the Company's phase-in would allow time to develop the infrastructure and expertise needed to handle the new and demanding load balancing and settlement functions. APS currently accommodates only about 50 individual entities on its system for scheduling purposes. Allowing direct access under the current Rule would increase that number to tens of thousands of entities of all sizes. Phased-in participation for the larger customers first softens the impact and provides times to develop the underpinnings that will support a truly open and competitive system.

Finally, customers need to be aware of the potential advantages and pitfalls of direct access. An extensive customer education program is necessary and the Company's plan would allow sufficient time for this important issue.

APS' PROPOSED SELECTION METHOD UNDER PRESENT RULES

If the Commission requires APS to comply with the current Competition Rules, APS proposes to select customers (individual premises) through a method of random selection. Eligibility will be established for a premise (or a "site," which is APS' designation of an individual electric service) and customers of record for that site are eligible for direct access when their site has been randomly selected. Customers may move in or out of the site, but the eligibility remains with the site.

For each phase, APS will produce a site file that will be given to an expert, independent third-party who will perform the random selection process. As the sites are selected, a tally will be kept to ensure that threshold eligible demand levels and class limits are made available. Once a site has been selected, APS will consider the eligibility rule met, regardless of whether the customer at the site actually chooses direct access to the competitive generation market.

Customers who are under special agreement with termination dates past January 1, 1999 will have their sites available for selection if both APS and the contracted party agree to terminate the existing agreement. Customers being served under an "evergreen" special agreement whose original termination date has expired will need to meet the termination provisions of the agreement for their sites to be available.

APS proposes this selection criteria because:

- A systemwide participation will mimic the competitive choice under full direct access

ARIZONA PUBLIC SERVICE COMPANY

DIRECT ACCESS CUSTOMER SELECTION METHODOLOGY

- Participation is spread across a wide variety of customers of all sizes of loads
- All customers have an equal opportunity to participate
- Low income customers are assured of participation

Once again, it is essential that a customer education plan be established. APS believes the proposed customer selection process should begin as early as possible after receiving approval from the Commission. Then customers at eligible sites will have adequate time to educate themselves on the direct access proposal and feel comfortable that they have made an informed decision that will provide them the most benefit.

DIRECT ACCESS END-USE SERVICE CREDITS

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: Donald G. Robinson
Title: Director, Pricing, Regulation and Planning

A.C.C. No. 5314
Tariff or Schedule No. EUSC-1
Original Filing
Effective

AVAILABILITY:

This schedule is available in all certificated retail delivery service territory served by Company.

APPLICATION:

This schedule is applicable to customers who are receiving delivery services from APS under any Direct Access tariff, and an Electric Service Provider (ESP) is providing services specified in this schedule.

RATES:

The following credits are applied to a customer's bill. End-use service credits are only given for these services provided by an ESP.

END USE SERVICE	CREDIT PER METER PER MONTH
Meter Reading This credit is applied when an ESP is providing the meter reading function	\$0.30
Metering Services This credit is applied when an ESP is providing the meter and APS removes its meter, or when the ESP purchases the existing meter from APS.	1) Residential a) Energy only meter \$0.85 b) All other meters \$2.00 2) General Service a) Energy only meter \$0.85 b) All other meters except instrument rated \$4.00 c) Instrument rated meters \$55.00
Billing Services This credit is applied when an ESP is providing consolidated billing.	\$0.30

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5313
 Tariff or Schedule No. DA-32R
 Original Tariff
 Effective:

DIRECT ACCESS PARTIAL REQUIREMENTS GENERAL SERVICEAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving partial requirements electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to all electric service billed under the applicable Direct Access General Service rate schedule to a customer who desires a permanent electric delivery connection with the Company in order to receive standby or supplementary electric energy service. All provisions of the applicable Direct Access General Service rate schedule will apply except as specifically modified herein.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, residential or resale service, nor to service for which Rate Schedule E-34 is applicable.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

BILLING

In accordance with the applicable Direct Access General Service rate schedule except:

- A. To electric service billed on untimed Direct Access General Service rate schedules:

DETERMINATION OF KW

The greater of:

1. The average kW supplied during the 15-minute period of maximum use during the month, as determined from readings of the Company's meter.
2. 80% of the average of the highest kW measured during each of the five (5) summer billing months (June – October) of the 12 months ending with the current month.
3. The minimum kW specified in the Agreement for Service or individual customer's contract.

- B. To electric service billed on Time-Of-Use Direct Access General Service rate schedules:

DETERMINATION OF KW

The greater of:

1. The average kW supplied during the 15-minute period (or other period as specified by customer's contract) of maximum use during the on-peak hours of the month, as determined from readings of the delivery meter.
2. 80% of the average of the highest kW measured during the on-peak hours of the five (5) summer billing months (June – October) of the 12 months ending with the current month.
3. The minimum kW specified in the Agreement for Service or individual customer's contract.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5299
 Tariff or Schedule No. DA-34
 Original Tariff
 Effective:

EXTRA LARGE DIRECT ACCESS GENERAL SERVICEAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable only to customers whose monthly maximum demand is 3,000 kW or more for three (3) consecutive months in any continuous twelve (12) month period ending with the current month. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer's contract. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4).

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

TYPE OF SERVICE

Service shall be three phase, 60 Hertz, at Company's standard voltages that are available within the vicinity of customer's premises.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A.	<u>RATE</u>	\$2,430.00	Basic Service Charge, plus
		11.29	per kW, plus
		0.03325	per kWh for all kWh

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

DETERMINATION OF KW

The kW used for billing purposes shall be the greater of:

1. The average kW supplied during the 15-minute period (or other period as specified by individual customer's contract) of maximum use during the month, as determined from readings of the delivery meter.
2. 80% of the highest kW measured during the five (5) summer billing months (June-October) of the 12 months ending with the current month.
3. The minimum kW specified in the agreement for service or individual customer's contract.

B. MINIMUM \$2,430.00 per month

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services, and/or special terms and conditions at Company's option as provided for in any Contract or Agreement for Service with any customer subject hereto.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5300
 Tariff or Schedule No. DA-35
 Original Tariff
 Effective:

EXTRA LARGE DIRECT ACCESS GENERAL SERVICE
TIME OF USE

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. The total number of customers receiving service either under this rate schedule or under Rate Schedule E-35 shall be limited to ten (10), selected at Company's option.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable only to customers whose monthly maximum demand is 3,000 kW or more for three (3) consecutive months in any continuous twelve (12) month period ending with the current month. Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer's contract. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4).

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for Direct Access Service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

TYPE OF SERVICE

Service shall be three phase, 60 Hertz, at Company's standard voltages that are available within the vicinity of customer's premises.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Retail Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

\$2,450.00	Basic Service Charge, plus
13.88	per kW* Demand On-Peak, plus
0.03834	per kWh On-Peak
0.02239	per kWh Off-Peak

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Retail Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

- In the event the Off-Peak kW is greater than twice the On-Peak kW measured during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the On-Peak kW rate, in addition to the Demand Charge as stated above.

DETERMINATION OF ON-PEAK KW DEMAND

The kW used for billing purposes shall be the greater of:

1. The average kW supplied during the 15-minute period of maximum use during the On-Peak period as determined from the readings of the delivery meter.
2. 80% of the highest kW measured during the On-Peak hours of the five (5) summer billing months (June-October) of the 12 months ending with the current month.

DETERMINATION OF OFF-PEAK KW DEMAND

The average kW supplied during the 15-minute period of maximum use during the Off-Peak period as determined from the readings of the delivery meter.

B. MINIMUM

\$2,450.00 plus \$13.88 times the minimum kW specified in the agreement for service or individual customer's contract.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

TIME PERIODS

On-Peak Period: 11 a.m. - 9 p.m., Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Retail Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services, and/or special terms and conditions at Company's option as provided for in any Contract or Agreement for Service with any customer subject hereto.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: Donald G. Robinson
Title: Director, Pricing Regulation and Planning

A.C.C. No. 5301
Tariff or Schedule No. DA-53
Original Tariff
Effective:

DIRECT ACCESS SERVICE FOR ATHLETIC STADIUMS AND SPORTS FIELDSAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to electric service for outdoor athletic stadiums and sports fields operated by schools, churches or municipalities where such service is supplied at one point of delivery and measured through one meter. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4). All provisions of the applicable rate schedule will apply except as specifically modified herein.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

BILLING

In accordance with the applicable Direct Access General Service Rate Schedule except:

1. Determination of kW for a minimum bill will be the average kW supplied during the 15-minute period of maximum use during the current billing month (measured kW).
2. In those months in which service is not used, no bills will be rendered.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5302
 Tariff or Schedule No. DA-281 GS
 Original Tariff
 Effective:

DIRECT ACCESS GENERAL SERVICEAVAILABILITY

This rate schedule is available at Clear Creek Pines Units 3-7 Line (that line including laterals and extensions, which extends from approximately 900 feet west of SE corner of Section 33, T. 15N., R. 11E.) at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to minimums for Direct Access General Service billed under Rate Schedule DA-32 or other general service rates otherwise applicable to the area served from the Clear Creek Pines Units 3-7 Line, including laterals and extensions from it.

This rate schedule is not applicable to breakdown, standby, supplementary, residential or resale service.

All provisions of the applicable Direct Access General Service rate schedule will apply except as specifically modified herein.

MINIMUM

Application of the various "Phases" are applicable based upon the number of customers being served during the month from the Clear Creek Pines Units 3 - 7 Line:

<u>Phase</u>	<u>No. of Customers</u>	<u>Charge Per Month*</u>	<u>Annual** Minimum Charges (as calculated before Credits, Taxes and Regulatory Assessments) Not to Exceed</u>
1	1 - 164	\$55.58	\$666.96
2	165 - 299	41.65	499.80
3	300 or more	The minimum as specified in the applicable rate schedule.	

*But not less than the minimum as specified in the applicable rate schedule.

**12 months ending with the current month.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5303
 Tariff or Schedule No. DA-284 GS
 Original Tariff
 Effective:

DIRECT ACCESS GENERAL SERVICEAVAILABILITY

This rate schedule is available at Government Prairie Line (that line including laterals and extensions, which extends from the W 1/4 of Section 13, T. 22N., R. 4E. of the G & SRB & M) at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to minimums for Direct Access General Service billed under Rate Schedule DA-32 or other Direct Access General Service rates otherwise applicable to the area served from the Government Prairie Line, including laterals and extensions from it.

This rate schedule is not applicable to breakdown, standby, supplementary, residential or resale service.

All provisions of the applicable Direct Access General Service rate schedule will apply except as specifically modified herein.

MINIMUM

Application of the various "Phases" are applicable based upon the number of customers being served during the month from the Government Prairie Line:

<u>Phase</u>	<u>No. of Customers</u>	<u>Charge Per Month*</u>	<u>Annual** Minimum Charges (as calculated before Credits, Taxes and Regulatory Assessments) Not to Exceed</u>
1	1 - 18	\$83.35	\$1,000.20
2	19 - 25	69.46	833.52
3	26 - 38	55.58	666.96
4	39 - 50	41.65	499.80
5	51 or more	The minimum as specified in the applicable rate schedule.	

*But not less than the minimum as specified in the applicable rate schedule.

**12 months ending with the current month.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5304
 Tariff or Schedule No. DA-20
 Original Tariff
 Effective Date:

DIRECT ACCESS GENERAL SERVICE
TIME OF USE FOR
RELIGIOUS HOUSES OF WORSHIP

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is only applicable to non-taxable religious houses of worship, that apply for and are eligible for such service, whose main purpose is worship and who have an established and continuing membership, but will be limited to the meter that serves the building in which the sanctuary or principal place of worship is located.

The religious houses of worship may be requested to provide the Company a copy of the letter of determination of non-taxable status as a religious organization from the Internal Revenue Service. In addition, the religious houses of worship agrees to provide the Company a copy within 30 days if the letter is changed by the Internal Revenue Service.

Service must be supplied at one point of delivery and measured through one meter unless otherwise specified by individual customer contract. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4).

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary, residential or resale service, nor to service for which Rate Schedule E-34 is applicable.

TYPE OF SERVICE

Service shall be single or three phase, 60 Hertz, at one standard voltage as may be selected by customer subject to the availability at the customer's premise. Three phase service is furnished under Company's Conditions Governing Extensions of Electric Distribution Lines and Services (Schedule #3). Transformation equipment is included in cost of extension. Three phase service is not furnished for motors of an individual rated capacity of less than 7-1/2 HP, except for existing facilities or where total aggregate HP of all connected three phase motors exceed 12 HP. Three phase service is required for motors of an individual rated capacity of more than 7-1/2 HP.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

June-October	\$27.00	Basic Service Charge, plus
Billing Cycles	2.10	per kW* Demand Charge On-Peak
(Summer)	0.12676	per kWh On-Peak
	0.06122	per kWh Off-Peak
November-May	\$27.00	Basic Service Charge
Billing Cycles	1.91	per kW* Demand Charge On-Peak
(Winter)	0.11148	per kWh On-Peak
	0.05487	per kWh Off-Peak

(CONTINUED ON REVERSE SIDE)

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
 2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
 3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.
- * In the event the Off-Peak kW is greater than twice the highest On-Peak kW established during the current month, the difference between such Off-Peak kW and twice the On-Peak kW shall be billed at 50% of the current month's On-Peak kW charge, in addition to the Demand Charge as stated above.

DETERMINATION OF KW DEMAND

The kW used for billing purposes shall be the average kW demands supplied during the 15-minute periods of maximum use during the On-Peak and Off-Peak periods of the month, as determined from the reading of the delivery meter.

TIME PERIODS

On-Peak Period: 11 a.m. - 9 p.m., Monday through Friday
Off-Peak Period: All Other Hours

Mountain Standard Time shall be used in the application of this rate schedule. In addition, to prevent radical changes in the system loads the beginning and ending hours for individual customers may be varied by up to one hour (total hours in each time period to remain unchanged) and because of potential differences of the timing devices, there may be a variation of up to 15 minutes in timing for the pricing periods.

B. MINIMUM

\$20.00 plus \$1.76 for each kW in excess of five of either the highest kW established during either the On- or Off-Peak period during the 12 months ending with the current month or the minimum kW specified in the agreement for service, whichever is the greater.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS AND CONTRACT PROVISIONS

This rate schedule is subject to Company's Terms and Conditions for the Sale of Electric Services, and/or special terms and conditions at Company's option as provided for in any contract or agreement for service with any customer subject hereto.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5305
 Tariff or Schedule No. DA-38
 Original Tariff
 Effective:

DIRECT ACCESS AGRICULTURAL IRRIGATION SERVICEAVAILABILITY

This rate schedule is available in Maricopa and Pinal Counties, in Yuma and its environs, in Yavapai County south of the south boundary of T9N and west of the west boundary of R2E of the G&SPB&M, and in La Paz County except for those areas where Company's total supply of power is purchased, at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to electric service required for irrigation pumping when such service is supplied at one point of delivery and measured through one meter. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4).

This rate schedule is not applicable to pumping of water for sale or distribution for non-agricultural purposes. The term "agricultural" is restricted to irrigation for the purpose of growing commercial crops, and it is not intended to include the watering of lawns, parks, golf courses or other similar uses of water.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-38 as of the date that the customer becomes eligible direct access service as established by the Arizona Corporation Commission.

This rate schedule is not applicable to breakdown, standby, supplementary, or resale service.

TYPE OF SERVICE

Service shall be three phase, 60 Hertz, at one standard voltage (12,500, 2400, 480 or 240 volts as may be selected by customer subject to availability at the premises). Measurement of service is at secondary voltage.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

May-Oct.	\$15.00	Basic Service Charge, plus
Billing Cycles	0.49	per each kW, plus
(Summer)	0.07544	per kWh first 275 kWh per kW
	0.06208	per kWh all additional kWh
Nov.-Apr.	\$15.00	Basic Service Charge, plus
Billing Cycles	0.49	for each kW, plus
(Winter)	0.06208	per kWh for all kWh

(CONTINUED ON REVERSE SIDE)

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

TRANSFORMER DISCOUNT

On the first 275 kWh per kW, when
Customer owns the transformers and
structures:

\$0.00335 per kWh on the first 55,000 kWh
\$0.00112 per kWh on all additional kWh

TIME OF WEEK PROVISIONS

When Customer's measured kWh during the
specified control period is:

- (1) 2 kWh per kW or less
- (2) Greater than 2 kWh per kW but less than or
equal to 8 kWh per kW
- (3) Greater than 8 kWh per kW

The base revenue will be adjusted by:

(\$0.00729) per kWh for all kWh
\$ 0.000000 per kWh for all kWh
+\$ 0.00365 per kWh for all kWh

TIME OF WEEK AVAILABILITY

Time of Week provisions are only available to those customers who have signed the Electric Supply Agreement regarding these provisions. The type of equipment required is nonstandard and therefore availability is limited. Additionally, the amount of equipment required is unknown. Consequently, Company cannot guarantee installation of the equipment required within any specific time.

TIME OF WEEK CONTROL PERIOD

The control period will be a period from 9 a.m. to 10 p.m. for one assigned day of week, Monday through Friday, as specified by Company in the Electric Supply Agreement.

DETERMINATION OF KW DEMAND

The kW used for billing purposes shall be the average kW supplied during the 15-minute period of maximum use during the month, as determined from readings of the delivery meter, or at Company's option, by test.

B. MINIMUM

\$15.00 per month; however, in no event shall the total charges for the 12 months ending with the current month be less than \$560.16.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

FROZEN

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5306
 Tariff or Schedule No. DA-38-8T
 Original Tariff
 Effective:

DIRECT ACCESS AGRICULTURAL IRRIGATION SERVICE
TIME OF USE

AVAILABILITY

This rate schedule is available in Maricopa and Pinal Counties, in Yuma and its environs, in Yavapai County south of the south boundary of T9N and west of the west boundary of R2E of the G&SRB&M, and in La Paz County except for those areas where Company's total supply of power is purchased, at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. A maximum of fifty (50) customers, selected at Company's option, may be served under this rate schedule.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to electric service required for irrigation pumping when such service is supplied at one point of delivery and measured through one meter. For those customers whose electricity is delivered through more than one meter, service for each meter shall be computed separately under this rate in accordance with the Company's Conditions Governing Totalized Metering (Schedule #4).

This rate schedule is not applicable to pumping of water for sale or distribution for non-agricultural purposes for delivery points initially served by Company after November 1, 1983.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is applicable only to those customers being served on the Company's Rate Schedule E-38 as of the date that the customer becomes eligible for direct access Service as established by the Arizona Corporation Commission.

This rate schedule is not applicable to breakdown, standby, supplementary, or resale service.

TYPE OF SERVICE

Three phase, 60 Hertz, at one standard voltage (12,500, 2400, 480 or 240 volts as may be selected by customer subject to availability at the premises). Measurement of service is at secondary voltage.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

\$15.00	Basic Service Charge, plus
9.47	per kW established during on-peak hours*
0.49	per kW established during off-peak hours
0.07544	per kWh measured during on-peak hours*
0.04949	per kWh measured during off-peak hours

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and

2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

*On-peak is a continuous 8 hour period between 9 a.m. and 10 p.m. as specified by the Company in the Electric Supply Agreement with the customer.

DISCOUNT When customer owns the transformers and structures:
\$0.00110 per kWh on all kWh

DETERMINATION OF KW DEMAND

The kW used for billing purposes shall be the average kW supplied during the 15-minute period of maximum use during the month, as determined from readings from the delivery meter, or at Company's option, by test.

B. MINIMUM

\$15.00 per month; however, in no event shall the total charges for the 12 months ending with the current month be less than \$560.16.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

HOURS

Mountain Standard Time shall be used in the application of this rate schedule. The total time for the on-peak period is subject to a plus or minus 15-minute variation.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5307
 Tariff or Schedule No. DA-40
 Original Tariff
 Effective:

DIRECT ACCESS AGRICULTURAL WIND MACHINE SERVICEAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to all electric service required for the operation of wind machine for frost control during the months of November thru March only when such service is supplied at one point of delivery and measured through one meter.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to temporary, breakdown, standby, supplementary, or resale service.

TYPE OF SERVICE

Service shall be three phase, 60 Hertz, at one standard voltage (120/240; 480; 7200/12,000 volts as may be selected by customer subject to availability at the premises).

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A. RATE

Service Charge \$ per H.P.* Per Year	Plus	Energy Charge \$ Per kWh
\$12.37		0.06833

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

*Name Plate rating unless tests indicate the motor is overloaded by more than 15%.

B. MINIMUM

The annual minimum charge shall be the Service Charge.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. Payment for service under this rate schedule shall be at the customer's option, (a) monthly billing, (b) semiannual billing for three (3) months in advance and three (3) months actual use or, (c) annual billing for six (6) months in advance and six (6) months actual use. After initial selection of payment by the customer no change may be made during the term of the agreement.
2. Thermostatically controlled wind machines with automatic reclosing switches must be equipped at the customer's expense with suitable time-delay devices, as hereinafter specified, to permit the required adjustment of the time of reclosure after interruption of service.

A time-delay device is a relay or other type of equipment that can be preset to delay with various time intervals the reclosing of the automatic switches in order to stagger the reconnection of the load on the utility's system. Such device, must be constructed so as to effectively permit a variable overall time interval of not less than five minutes with adjustable time increments of not greater than ten seconds. The particular setting to be utilized for each separate installation is to be determined by the utility from time to time in accordance with its operating requirements.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing, Regulation, and Planning

A.C.C. No. 5308
 Tariff or Schedule No. DA-47
 Original Tariff
 Effective:

DIRECT ACCESS DUSK TO DAWN LIGHTING SERVICEAVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to outdoor lighting which operates only from dusk to dawn where service can be supplied from the existing secondary overhead facilities of the Company.

This rate schedule will become effective upon the next scheduled billing cycle after the Company has verified that the customer has complied with the Company's requirements for direct access service.

The incandescent lighting charges and mercury vapor lighting charges (Part III A&B) are applicable and available only to those customers being served on the Company's Rate Schedule E-47 as of the date that the customer becomes eligible for direct access service as established by the Arizona Corporation Commission.

MONTHLY BILLI. SODIUM VAPOR LIGHTINGA. Company Owned Facilities where Company installs, owns, operates and maintains lighting facilities.

1.	5,800 lumen, 70 watt, high pressure sodium lamp and luminaire mounted on a bracket of 6 feet or less on existing pole.	\$10.55
2.	8,000 lumen, 55 watt, low pressure sodium lamp and luminaire mounted on a bracket of 6 feet or less on existing pole.	11.00
3.	9,500 lumen, 100 watt, high pressure sodium lamp and luminaire mounted on a bracket of 6 feet or less on existing pole.	11.97
4.	9,500 lumen, 100 watt, high pressure sodium lamp and architectural luminaire	10.56
5.	13,500 lumen, 90 watt, low pressure sodium lamp and luminaire mounted on a bracket of 6 feet or less on existing pole.	14.21
6.	16,000 lumen, 150 watt, high pressure sodium lamp and luminaire mounted on a bracket of 8 feet or less on existing pole.	14.19
7.	22,500 lumen, 135 watt, low pressure sodium lamp and luminaire mounted on a bracket of 8 feet or less on existing pole.	16.73
8.	30,000 lumen, 250 watt, high pressure sodium lamp and luminaire mounted on a bracket of 8 feet or less on existing pole.	18.37
9.	33,000 lumen, 180 watt, low pressure sodium lamp and luminaire mounted on a bracket of 8 feet or less on existing pole.	19.10
10.	50,000 lumen, 400 watt, high pressure sodium lamp and luminaire mounted on a bracket of 8 feet or less on existing pole.	30.04
11.	30,000 lumen, 250 watt, high pressure sodium lamp and flood luminaire mounted on a 36 inch/18 inch arm on a 31 foot 6 inch metal pole and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit.	32.84

12.	50,000 lumen, 400 watt, high pressure sodium lamp and flood luminaire mounted on a 36 inch/18 inch arm on a 31 foot 6 inch metal pole and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit.	34.40
13.	30,000 lumen, 250 watt, high pressure sodium lamp and decorative luminaire mounted on a square metal pole 38 feet in length and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit.	36.38
14..	50,000 lumen, 400 watt, high pressure sodium lamp and decorative luminaire mounted on a square metal pole 38 feet in length and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit.	38.14

B. Customer Owned Facilities where customer installs and maintains lighting facilities and Company approves installation, operates and replaces lamps.

1.	5,800 lumen, 70 watt, high pressure sodium lamp and luminaire.	\$ 6.43
2.	8,000 lumen, 55 watt, low pressure sodium lamp and luminaire.	4.93
3.	9,500 lumen, 100 watt, high pressure sodium lamp and luminaire.	6.92
4.	9,500 lumen, 100 watt, high pressure sodium lamp and architectural luminaire.	6.64
5.	13,500 lumen, 90 watt, low pressure sodium lamp and luminaire.	6.23
6.	16,000 lumen, 150 watt, high pressure sodium lamp and luminaire.	6.55
7.	22,500 lumen, 135 watt, low pressure sodium lamp and luminaire.	7.99
8.	30,000 lumen, 250 watt, high pressure sodium lamp and luminaire.	12.32
9.	33,000 lumen, 180 watt, low pressure sodium lamp and luminaire.	9.62
10.	50,000 lumen, 400 watt, high pressure sodium lamp and luminaire.	14.68

II. METAL HALIDE LIGHTING

A. Company Owned Facilities

1.	13,000 lumen, 175 watt, metal halide lamp and architectural luminaire mounted on a bracket of 2 feet or less.	\$ 14.03
2.	21,000 lumen, 250 watt, metal halide lamp and architectural luminaire mounted on a bracket of 8 feet or less.	16.33
3.	36,000 lumen, 400 watt, metal halide lamp and architectural luminaire mounted on a bracket of 8 feet or less.	17.56
4.	21,000 lumen, 250 watt, metal halide lamp and flood light luminaire mounted on a 36 inch/18 inch arm on a 31 foot 6 inch steel pole and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit.	33.84
5.	36,000 lumen, 400 watt, metal halide lamp and flood light luminaire mounted on a 36 inch/18 inch arm on a 31 foot 6 inch steel pole and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit.	34.95
6.	21,000 lumen, 250 watt, metal halide lamp and decorative luminaire mounted on a square metal pole 38 feet in length and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit..	37.42
7.	36,000 lumen, 400 watt, metal halide lamp and decorative luminaire mounted on a square metal pole 38 feet in length and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit.	38.64

B. Customer Owned Facilities

1.	13,000 lumen, 175 watt, metal halide lamp and luminaire .	\$ 10.58
2.	21,000 lumen, 250 watt, metal halide lamp and luminaire.	11.38
3.	36,000 lumen, 400 watt, metal halide lamp and luminaire.	12.56

III. INCANDESCENT AND MERCURY VAPOR LIGHTING

A. Company Owned Facilities

1.	4,000 lumen incandescent lamp and luminaire mounted on a bracket of 4 feet or less on existing pole	\$11.00
2.	7,000 lumen, 175 watt, mercury vapor lamp and luminaire mounted on a bracket of 6 feet or less on existing pole	11.10
3.	20,000 lumen, 400 watt, mercury vapor lamp and luminaire mounted on a bracket of 8 feet or less on existing pole	15.42

B. Customer Owned Facilities

1.	4,000 lumen incandescent lamp and luminaire	\$ 4.06
2.	7,000 lumen, 175 watt, mercury vapor lamp & luminaire	5.35
3.	20,000 lumen, 400 watt, mercury vapor lamp & luminaire	10.17

IV. CREDITS TO ABOVE CHARGES

The following Direct Access Credits will apply to each of the charges as shown in I., II., and III. above:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

V. CHARGES FOR OPTIONAL EQUIPMENT (Company Owned Facilities)

1.	Brackets over 8 feet and up to 16 feet in length (subject to availability)	\$ 1.30
2.	Overhead secondary line of 100 feet in length or underground if customer provides earthwork and conduit	1.30

3.	One wood pole of not over 30 feet in length and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit (excludes underground to overhead transition)	FROZEN 5.18
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4.	Underground secondary line of 100 feet in length if company provides earthwork and conduit	5.18
5.	One wood pole of not over 35 feet in length and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit (excludes underground to overhead transition)	6.52
6.	One wood pole of not over 40 feet in length and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit (excludes underground to overhead transition)	8.27

7.	One metal or fiberglass pole of not over 30 feet in length and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit	7.81
8.	One square metal pole 23 feet in length and up to 100 feet of underground secondary line if customer provides earthwork and conduit	8.79
9.	One square metal pole 34 feet in length and up to 100 feet of underground secondary line if customer provides earthwork and conduit	11.78
10.	One square metal pole 38 feet in length and up to 100 feet of underground secondary line if customer provides earthwork and conduit	21.33
11.	One 38-1/2 foot metal pole and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit	10.46
12.	One 40-1/2 foot self-supporting/dead-end metal pole and up to 100 feet of overhead secondary line or underground if customer provides earthwork and conduit	24.19
13.	Additional maintenance charge for high pressure sodium lamp and luminaire, mounted on a bracket of 2 feet or less, that is not accessible by bucket-truck.	1.90
14.	Additional maintenance charge for metal halide lamp and luminaire, mounted on a bracket of 2 feet or less, that is not accessible by bucket-truck	3.79
15.	OFF-ON switch. Customer may request a control switch to be installed which will be at his expense and its use not affect the billing under this rate.	

Anchor Based Poles

1.	Anchor base, if provided and installed by Company. This charge is in addition to the following pole charges:	9.27
2.	One anchor based metal pole 28 feet in length and up to 100 feet of overhead secondary line or underground secondary line if customer provides earthwork and conduit.	19.15
3.	One anchor based square metal pole 27 feet in length and up to 100 feet of overhead secondary line or underground secondary line if customer provides earthwork and conduit.	21.52
4.	One anchor based square metal pole 31 feet in length and up to 100 feet of overhead secondary line or underground secondary line if customer provides earthwork and conduit.	23.57
5.	One anchor based square metal pole 37 feet in length and up to 100 feet of overhead secondary line or underground secondary line if customer provides earthwork and conduit.	26.54

- NOTES:
- 20,000 lumen lights should be mounted on 35 foot wood poles or 38-1/2 or 40-1/2 foot metal poles.
 - 30,000 or 50,000 lumen lights should be mounted on 38-1/2 or 40-1/2 foot metal poles or on wood poles sufficient to provide a minimum luminaire mounting height of 34-1/2 feet.
 - The architectural luminaire cannot be mounted on any pole except the square metal pole.

VI. ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. The 4,000 and 7,000 lumen lamps use an open glass diffuser. All units are controlled by a photoelectric switch.
2. The Customer is not authorized to make connections to the lighting circuits or to make attachments.
3. Should a Customer request a relocation of a dusk-to-dawn lighting installation, the costs of such relocation shall be paid by the Customer.
4. The Customer is expected to notify the Company when lamp outages occur, or when photoelectric switch fails to operate.
5. The Company will use diligence in maintaining service; however, monthly bills will not be reduced because of lamp outages.
6. The Customer may cancel a lighting service agreement by payment of the monthly bill including the applicable tax adjustment, multiplied by the number of remaining months of the initial agreement, or the calculated installation and removal costs for the extension, whichever is lower.

SPECIAL FACILITIES

When Customer requests special (non-standard) Dusk-to-Dawn lighting facilities not provided by Company as standard, Company will use its best efforts to install, operate and maintain such facilities.

If the Company installs such special facilities, there will be an additional charge equal to 1-1/2 percent per month of the excess cost to the Company over standard facilities at time of installation and the maintenance of such facilities will be subject to time and ability to purchase replacement parts at reasonably equivalent prices of standard equipment. When the Company is currently using more than one standard for a particular type of installation, the excess cost to the Company shall be determined from the standard equipment with the highest cost within the range of standards for that particular type of installation.

The Customer may elect to substitute a one-time contribution in aid of construction equal to the excess costs in lieu of the additional charge.

The Company may decline to continue maintenance of special facilities due to inability to purchase replacement parts at reasonably equivalent prices of standard equipment. In this event, the Customer may elect to supply the required parts at no cost to the Company and the Company will then continue to maintain such facilities.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5309
 Tariff or Schedule No. DA-58
 Original Tariff
 Effective:

DIRECT ACCESS STREET LIGHTING SERVICEAVAILABILITY

This rate schedule is available in those portions of cities, towns and unincorporated communities in which Company provides general retail delivery service and where Company has installed a multiple or series street lighting system of adequate capacity for the service to be rendered.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to service for lighting public streets, alleys, thoroughfares, public parks and playgrounds by use of Company's facilities where such service for the whole area is contracted for from Company by the city, town, other governmental entities, or a responsible person for unincorporated communities.

Service is from dusk to dawn and Company will own (except as provided below), operate, and maintain the street lighting system including lamps and glass replacements.

This rate schedule will become effective upon the next scheduled billing cycle after the Company has verified that the customer has complied with the Company's requirements for direct access service.

The Incandescent Lamps & Standards, the Mercury Vapor Lamp, Luminaire and Bracket, and the Underground Circuit Charges (Parts III, IV, & V of this rate schedule) are applicable and available only to those customers being served on the Company's Rate Schedule E-58 as of the date that the customer becomes eligible for direct access service as established by the Arizona Corporation Commission.

MONTHLY BILLRATEInvestment Cost
Provided By

Company	Others
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I. Sodium Vapor Lighting Charges:A. High Pressure Sodium Lamps, luminaires & Brackets
(Lumens and wattages are nominal initial ratings)

5,800 lumens, 70 watts, HPS	\$10.38	\$ 3.64
9,500 lumens, 100 watts, HPS	11.40	4.11
16,000 lumens, 150 watts, HPS	13.08	5.28
30,000 lumens, 250 watts, HPS	16.94	8.12
50,000 lumens, 400 watts, HPS	18.30	11.35

B. Low Pressure Sodium Lamps, luminaires & Brackets
(Lumens and wattages are nominal initial ratings)

8,000 lumens, 55 watts, LPS	\$10.20	\$ 3.90
13,500 lumens, 90 watts, LPS	13.87	5.44
22,500 lumens, 135 watts, LPS	16.52	7.30
33,000 lumens, 180 watts, LPS	19.01	9.01

II. Pole Charges:

1.	An existing distribution pole suitable for street light use	\$ 1.14	\$ 1.14
2.	A wood pole for street lighting only for light center mounting heights of 35 feet or less	6.75	1.14
3.	A metal or fiberglass pole for light center mounting heights of 28 feet or less	7.86	1.14
4.	A metal pole for light center mounting heights between 29 feet and 40 feet	10.68	1.14
5.	An anchor base used with Pole Types 3 or 4.	5.13	1.14

(CONTINUED ON REVERSE SIDE)

III. <u>Incandescent Lighting Charges:</u>		
A.	<u>Lamps</u>	Investment Cost Provided By
		Company Others
	1,000 lumen incandescent	\$ 3.65 \$ 3.65
	2,500 lumen incandescent	5.27 5.27
	4,000 lumen incandescent	7.39 7.39
	6,000 lumen incandescent	9.91 9.91
	10,000 lumen incandescent	15.96 15.96
B. <u>Standards</u> (See "Special Provisions")		
	Type A	\$16.62 \$ 6.18
	Type B	12.05 5.08
	Type C	6.76 3.50
	Type D	4.63 2.89
	Type E	6.18 2.89
	Type R	3.89 ---
	Type M	9.68 4.82
	Type N	6.76 ---
	Type P	12.51 7.73
IV. <u>Mercury Vapor & Metal Halide Lighting Charges:</u>		
	7,000 lumens, 175 watts, MV	\$ 9.59 \$ 5.49
	11,000 lumens, 250 watts, MV	11.99 7.31
	20,000 lumens, 400 watts, MV	18.84 10.67
V. <u>Underground Circuit Charges:</u>		
	Per foot of cable, installed under paving	\$ 0.11886 ---
	Per foot of cable, not installed under paving	0.04227 ---

VI. CREDITS TO ABOVE CHARGES

The following Direct Access Credits will apply to each of the charges as shown in I.A, I.B, III.A and IV above:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

Facilities and Service

Street lighting facilities installed under this rate are of the type currently being furnished by Company as standard at the time service is initially requested. Company will maintain current street lighting construction standards and endeavor to keep abreast of all modern methods and practices.

The Company will use diligence in maintaining service. Monthly bills will not be reduced on account of lamp outages.

Presently installed units which do not conform to the above types will be billed in accordance with the type which is most nearly like such units.

High pressure sodium and low pressure sodium lighting owned by the Company shall be supplied only in the event of a new installation or an individual street light replacement. Conversion of existing street lighting systems to high or low pressure sodium shall be limited by individual contract provisions and availability of Company equipment.

Special Facilities

When Customer requests special (non-standard) street lighting facilities not provided by Company as standard, Company will use its best efforts to install, operate and maintain such facilities.

If the Company installs such special facilities, there will be an additional charge equal to 1-1/2 percent per month of the excess cost to the Company over standard facilities at time of installation and the maintenance of such facilities will be subject to time and ability to purchase replacement parts at reasonably equivalent prices of standard equipment. When the Company is currently using more than one standard for a particular type of installation, the excess cost to the Company shall be determined from the standard equipment with the highest cost within the range of standards for that particular type of installation.

The Customer may elect to substitute a one-time contribution in aid of construction equal to the excess costs in lieu of the additional charge.

The Company may decline to continue maintenance of special facilities due to inability to purchase replacement parts at reasonably equivalent prices of standard equipment. In this event, the Customer may elect to supply the required parts at no cost to the Company and the Company will then continue to maintain such facilities.

Extension of Street Lighting System

The Company will extend its standard street lighting system up to a distance of 300 feet for each additional lighting installation at the request of the customer. When the extension is underground the Customer will provide earthwork as specified in Section 6.1.2 of Schedule 3. The Company will provide the earthwork as specified in Section 6.1.2 of Schedule 3 at Customer's request for an additional monthly charge of 1-1/2 percent of its cost, or at option of Customer, a contribution in aid of construction equal to the cost of earthwork as specified in Section 6.1.2 of Schedule 3.

Additions to the street lighting system which are over 300 feet per installation or are of a non-standard nature not normally provided by the Company can be installed when the total cost to the Company of the installation does not exceed 6-1/2 times the annual revenue including the underground and/or special facilities charge. When the total cost to the Company of the installation does exceed 6-1/2 times the annual revenue, a monthly charge of 1-1/2 percent of the excess cost will be added to the billing in addition to any required special facilities charge and/or underground charge. Customer may elect to pay a contribution in aid of construction equal to such excess cost in lieu of the monthly charge of 1-1/2 percent.

Extensions to isolated areas requiring a substantial extension of the electric distribution system, as opposed to extension of the street lighting system, will require a special study to determine the conditions on which the Company will make such extension.

Investment Cost Provided By Others

If the Customer elects to be billed under the column headed "Investment Cost Provided By Others", it must install the system at its own expense in accordance with the Company's specifications, or make a non-refundable advance to cover the Company's cost of installing the system. The Company will own, maintain and operate the system.

The Company's Incandescent Street Light Standards Are As Follows:

- Type A - Enclosed glass luminaire with 8-foot or less up-sweep bracket mounted on 35-foot anchor base monotube or fluted steel pole.
- Type B - Enclosed glass luminaire with 8-foot or less up-sweep bracket mounted on 35-foot embedded base metal pole.*
- Type C - Enclosed glass luminaire with 14-foot or less bracket mounted on wood pole carrying only street lighting equipment.
- Type D - Enclosed glass luminaire with 14-foot or less bracket mounted on wood pole carrying distribution circuits, or on other type pole paid for under another standard charge.
- Type E - Open type unit with 4-foot bracket mounted on wood pole carrying only street lighting equipment.
- Type F - Open type unit with 4-foot bracket mounted on wood pole carrying distribution circuits.
- Type M - Enclosed glass luminaire with 6-foot or less up-sweep bracket mounted on 30-foot embedded base metal pole.*
- Type N - Identical to Type M except customer makes a contribution of \$50 per light.
- Type P - Incandescent pole top luminaire mounted on 23-foot steel pipe pole.

*Steel pipe or tubular steel at Company's option.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Service.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5310
 Tariff or Schedule No. DA-59
 Original Tariff
 Effective:

DIRECT ACCESS SERVICE FOR GOVERNMENT OWNED STREET LIGHTING SYSTEMSAVAILABILITY

This rate schedule is available in those portions of cities, towns and unincorporated communities in which Company provides general retail delivery service and where Customer has installed or purchased a multiple or series street lighting system and Company has distribution facilities of adequate capacity for the service to be rendered.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to delivery service for lighting public streets, alleys, thoroughfares, public parks and playgrounds by use of Customer's facilities where such service for the whole area is contracted for from Company pursuant to the terms set forth herein by the city, town, other governmental entities, or a responsible person for unincorporated communities.

Service is from dusk to dawn and Customer will own, operate, and maintain the street lighting system including lamps and glass replacements but excluding distribution facilities installed by Company to serve the lighting system.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

MONTHLY BILL

The monthly bill shall be the sum of the amounts computed under A. and B. below, including the applicable Credits and Adjustments:

- | | | |
|----|--|-----------|
| A. | Service Charge per installed lamp \$1.96 | |
| B. | Energy Charge per kWh | \$0.06403 |

LESS:

1. A calculated APS Monthly System Average Energy Credit. This credit will be stated in cents per kilowatt hour and will be applied to each charge according to the amount of energy each type of lighting fixture consumes per month, and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

Monthly billed energy is based upon the summation of the contracted energy rating of installed facilities specified in the streetlighting contract.

Monthly bills will not be reduced on account of lamp outages.

Presently installed units which do not conform to the types specified in Rate E-58 will be billed in accordance with the type which is most nearly like such units.

EXTENSION OF COMPANY DISTRIBUTION SYSTEM

The Company will extend its standard street distribution lighting system up to a distance of 300 feet for each additional lighting installation at the request of the Customer. When the extension is underground the Customer will provide earthwork as specified in Section 6.1.2 of Schedule 3. The Company will provide the earthwork as specified in Section 6.1.2 of Schedule 3 at Customer's request for an additional monthly charge of 1-1/2 percent of its cost, or at option of Customer, a contribution in aid of construction equal to the cost of earthwork as specified in Section 6.1.2 of Schedule 3.

Additions to the street lighting system which are over 300 feet per installation or are of a non-standard nature not normally provided by the Company can be installed when the total cost to the Company of the installation does not exceed 6-1/2 times the annual revenue including the underground and/or special facilities charge. When the total cost to the Company of the installation does exceed 6-1/2 times the annual revenue, a monthly charge of 1-1/2 percent of the excess cost will be added to the billing in addition to any required special facilities charge and/or underground charge. Customer may elect to pay a contribution in aid of construction equal to such excess cost in lieu of the monthly charge of 1-1/2 percent.

Extensions to isolated areas requiring a substantial extension of the electric distribution system, as opposed to extension of the street lighting system, will require a special study to determine the conditions on which the Company will make such extension.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5311
 Tariff or Schedule No. DA-221
 Original Tariff
 Effective:

DIRECT ACCESS WATER PUMPING SERVICEAVAILABILITY

This rate is available in all certificated retail delivery service territory served by Company, at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to electric service required for irrigation pumping, and to electric service required by water utilities for pumping water to serve the citizens of a city, town, or unincorporated community. Service must be supplied at one point of delivery and measured through one meter.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This rate schedule is not applicable to breakdown, standby, supplementary or resale service.

TYPE OF SERVICE

Service shall be single or three phase, 60 Hertz, at one standard voltage (12,500; 2,400; 480; or 240 volts as may be selected by customer subject to availability at the premises). Measurement of service is at secondary voltage.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A.	<u>RATE</u>	
	\$15.00	Basic Service Charge, plus
	1.79	for each kW, plus
	0.10350	per kWh first 240 kWh
	0.07035	per kWh next 275 kWh per kW
	0.05776	per kWh all additional kWh

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

OPTIONAL
TIME OF WEEK
PROVISIONS

When Customer's measured kWh during the specified control period is:

The base revenue will be adjusted by:

- | | | |
|-----|--|---------------------------------|
| (1) | 2 kWh per kW or less | (\$0.00749) per kWh for all kWh |
| (2) | Greater than 2 kWh per kW but less than or equal to 8 kWh per kW | \$ 0.00000 per kWh for all kWh |
| (3) | Greater than 8 kWh per kW | +\$ 0.00375 per kWh for all kWh |

TIME OF WEEK AVAILABILITY

Time of week provisions are only available to those customers who have signed the Electric Supply Agreement regarding these provisions. The type of equipment required is nonstandard and therefore availability is limited. Additionally, the amount of equipment required is unknown. Consequently, Company cannot guarantee installation of the equipment required within any specific time.

TIME OF WEEK CONTROL PERIOD

The control period will be a period from 9 a.m. to 10 p.m. for one assigned day of week, Monday through Friday, as specified by Company in the Electric Supply Agreement.

DETERMINATION OF KW

The kW used for billing purposes shall be the average kW supplied during the 15-minute period of maximum use during the month, as determined from readings of the delivery meter, or at Company's option, by test.

B. MINIMUM

\$15.00 plus \$1.79 for each kW of the highest kW established during the 12 months ending with the current month, or the minimum kW specified in the agreement for service, whichever is greater. However, such monthly minimum charge shall not be more than an amount sufficient to make the total charges for such 12 months equal to \$21.48 for each of such highest kW plus \$180.00, but in no instance more than the monthly minimum amount as computed above.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS AND CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

ELECTRIC DELIVERY RATES

ARIZONA PUBLIC SERVICE COMPANY
 Phoenix, Arizona
 Filed by: Donald G. Robinson
 Title: Director, Pricing Regulation and Planning

A.C.C. No. 5312
 Tariff or Schedule No. DA-221-8T
 Original Tariff
 Effective:

DIRECT ACCESS WATER PUMPING SERVICE
TIME OF USE

AVAILABILITY

This rate schedule is available in all certificated retail delivery service territory served by Company, at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICATION

This rate schedule is applicable to customers receiving electric energy on a direct access basis from any certificated Electric Service Provider as defined in A.A.C. R14-2-1603. This rate schedule is applicable to electric service required for irrigation pumping, and to electric service required by water utilities for pumping water to serve the citizens of a city, town, or unincorporated community. Service must be supplied at one point of delivery and measured through one meter.

This rate schedule will become effective upon the next meter reading after the Company has verified that the customer has complied with the Company's requirements for direct access service and after the Company has verified that any required metering has been installed.

This schedule is not applicable to breakdown, standby, supplementary, or resale service.

TYPE OF SERVICE

Service shall be single or three phase, 60 Hertz, at one standard voltage (12,500, 2,400, 480, or 240 volts as may be selected by customer subject to availability at the premises). Measurement of service is at secondary voltage.

METERING REQUIREMENTS

All customers shall comply with the terms and conditions for load profiling or metering specified in the Company's Open Access Transmission Tariff.

MONTHLY BILL

The monthly bill shall be the greater of the amount computed under A. or B. below, including the applicable Adjustments.

A.	<u>RATE</u>	
	\$25.87	Basic Service Charge, plus
	4.20	per kW established during on-peak hours*
	2.53	per kW established during off-peak hours
	0.08486	per kWh measured during on-peak hours*
	0.04564	per kWh measured during off-peak hours

LESS:

1. A calculated Market Generation Credit. The method of calculation, as approved by the Arizona Corporation Commission, is set forth in the filed "Method for Calculating Market Generation Credits for Direct Access Customers," and
2. A Transmission Credit equal to the charge(s) that the customer, or if applicable, the customer's designated agent, was billed for transmission and ancillary services required for the delivery of competitively supplied power and energy to the customer. Applicable charges for transmission and ancillary services shall be determined in accordance with the Company's Open Access Transmission Tariff, and
3. Any other applicable credits for competitively supplied services as required by the Arizona Corporation Commission and as set forth in the Company's tariff for Direct Access End-Use Service Credits.

*On-peak is a continuous 8 hour period between 9 a. m. and 10 p. m. as specified by the Company in the Electric Supply Agreement with the customer.

DETERMINATION OF KW

The kW used for billing purposes shall be the average kW supplied during the 15-minute period of maximum use, for both on- and off-peak periods, during the month, as determined by readings of the delivery meter, or at the Company's option, by test.

B. MINIMUM

\$25.87 plus \$2.53 for each kW of the highest kW established on or off peak during the 12 months ending with the current month or the contract kW, whichever is greater. However, such monthly minimum charge shall not be more than an amount sufficient to make the total charges for such 12 months equal to \$30.36 for each of such highest kW plus \$310.44, but in no instance more than the monthly minimum amount as computed above.

ADJUSTMENTS

1. The monthly bill is subject to a System Benefits Charge unit cost adjustment of a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company from a base level of \$0.00137/kWh. The method of application of this adjustment is set forth in the filed "Plan of Administration for Adjustment of System Benefits Charges."
2. The monthly bill is also subject to the applicable proportionate part of any taxes, or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric service sold and/or the volume of energy delivered or purchased for sale and/or sold hereunder.

HOURS

Mountain Standard Time shall be used in the application of this rate schedule. The total time for the on-peak period is subject to a plus or minus 15-minute variation.

SERVICES ACQUIRED FROM CERTIFICATED ELECTRIC SERVICE PROVIDERS

Customers served under this rate schedule are responsible for acquiring their own generation, transmission, and any other required competitively supplied services from a certificated Electric Service Provider or under the Company's Open Access Transmission Tariff. The customer shall provide evidence, in a format approved by the Company, that the customer has a service agreement with a certificated provider for these services.

CONTRACT PERIOD

Customer must execute a service agreement with the Company. Contract period and maximum and minimum kW will be as provided for in this service agreement.

TERMS & CONDITIONS

This rate schedule is subject to the Company's Terms and Conditions for the Sale of Electric Services.

DIRECT ACCESS END-USE SERVICES

ARIZONA PUBLIC SERVICE COMPANY
Phoenix, Arizona
Filed by: Donald G. Robinson
Title: Director, Pricing, Regulation and Planning

A.C.C. No. 5315
Tariff or Schedule No. EUS-1
Original Filing
Effective

AVAILABILITY:

This schedule is available in all certificated retail delivery service territory served by Company.

APPLICATION:

This schedule is applicable to APS Customers and Electric Service Providers (ESP) who serve customers within APS' certificated area.

RATES:

The charges listed below are in addition to any other applicable rate schedules:

1. **Direct Access Service Request (DASR) :**

An ESP submitting a DASR as required by the ESP/APS Agreement will be charged per account per DASR submittal. The charge for processing a DASR is \$20.00 per account, per submittal.

2. **Meter Reading and Metering Services:**

This charge is billed to the ESP when APS is performing the meter reading and metering services on behalf of a direct access customer in APS' delivery territory. These charges will be negotiated on an individual basis between APS and the ESP that is requesting APS to perform these services.

3. **Billing Services:**

This charge is billed to the ESP when APS is performing consolidated billing. This function includes printing the customer's competitive services on the bill, sending the bill, collecting monies owed, transferring collected monies to the appropriate designated bank account, and providing information on delinquent accounts. These charges will be negotiated on an individual basis between APS and the ESP requesting APS to perform these services.

4. **Data Exchange:**

Consumption and Payment History Data

APS will provide the most current 12 months of billing consumption and payment history. Requests for the information to be sent directly to an ESP must be received in writing or in a form specified by APS, and must be requested by the customer of record for delivery service. Requests not received in the manner acceptable to APS will only be sent to the billing address for the requesting customer. The charges for the consumption and payment history data are:

For each meter APS will provide this information two times per year at no charge and in a format to be determined by APS. Each request thereafter will be \$6.00 per request per meter.

If an interval data recording meter is in place and load data is requested, this information will be provided upon request, and is available on paper, diskette, or through an electronic transfer. The charge for this load data is:

Paper copy	\$ 8.00 per request per meter.
Diskette	\$10.00 per request per meter.
Electronic Transfer	\$10.00 per request per meter.

If Customer elects to have this information sent through an electronic transfer, the customer is responsible for complying with the data security standards established by APS.

Monthly Meter Reads

The on-going transfer of monthly meter reads to an ESP will be provided by APS at a charge negotiated on an individual basis between APS and the ESP requiring the data.

ARIZONA PUBLIC SERVICE COMPANY

SYSTEM BENEFITS ADJUSTMENT CLAUSE PLAN FOR ADMINISTRATION

Pursuant to R14-2-1608 of the Arizona Administrative Code, Affected Utilities, including APS, shall establish a non-bypassable rate or mechanism to recover the applicable pro-rata costs of system benefits as defined and approved by the Arizona Corporation Commission from all customers who participate in the competitive market by electing to take service under APS' direct access tariffs. Initially, the System Benefits Charge (SBC) shall be sufficient to fund the present Commission approved low income, demand side management, environmental, renewables, nuclear power plant decommissioning and nuclear fuel disposal. Also, the charge may be changed periodically to allow APS to continue with their programs for the items included above.

APS is recovering the prorata share of system benefits costs from customers electing to take service under the Company's direct access via a System Benefit Charge (SBC) adjustor, priced on a uniform dollar per kilowatt hour for each kilowatt hour delivered by the Company. The effective SBC adjustor will be determined by an on-going adjustment mechanism. The SBC adjustor has been initially set at zero.

The SBC Base Level has been set at the funding required to cover the revenue requirement required for the allowable items listed above. The average Base Level is determined to be \$0.00137/kWh based upon 1999 expenditure levels and energy sales. The SBC Base Level is included in APS' direct access tariffs filed with the Commission.

When the Company's system benefit costs per kWh, as filed and approved by the Commission, differs from the Base Level, then changes to SBC adjustor will be made from time to time, pursuant to the guidelines listed below. The Company must file all proposed changes to the SBC adjustor for approval by the Commission or Commission Staff. All direct access tariffs filed with the Commission are subject to any approved adjustment mechanism.

The following guidelines apply for adjustments to the SBC base level:

- 1) The Company can file with the Commission, at any time, for an adjustment to the Base Level if a significant increase or decrease warrants such a filing.
- 2) If the Commission determines that additional costs, associated with items other than those specified in R14-2-1608, are to be included in the SBC then the Company will file at that time for an adjustment.
- 3) Initially beginning on 3/31/01, and every three years thereafter, the Company and others interested parties will file with the Commission recommended adjustments to the SBC. Justification for such recommended changes shall also be filed at that time.

ARIZONA PUBLIC SERVICE COMPANY

PRO FORMA OPEN ACCESS

TRANSMISSION TARIFF

REVISION NO. 3

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I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Ancillary Services

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.2 Annual Transmission Revenue Requirement

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.3 Application

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.4 Commission

The Federal Energy Regulatory Commission.

1.5 Completed Application

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.6 Control Area

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- 1.6.1 match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- 1.6.2 maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- 1.6.3 maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- 1.6.4 provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.7 Curtailment

A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.

1.8 Delivering Party

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.9 Designated Agent

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.10 Direct Assignment Facilities

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.11 Eligible Customer

(i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act; such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider. (ii) Any retail customer taking unbundled Transmission Service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.12 Facilities Study

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.13 Firm Point-To-Point Transmission Service

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.14 Good Utility Practice

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

1.15 Interruption

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.16 Load Ratio Share

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III the Tariff and calculated on a 4 Summer month (June through September) rolling average basis.

1.17 Load Shedding

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.18 Long-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.19 Native Load Customers

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.20 Network Customer

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.21 Network Integration Transmission Service

The transmission service provided under Part III of the Tariff.

1.22 Network Load

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.23 Network Operating Agreement

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.24 Network Operating Committee

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.25 Network Resource

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

1.26 Network Upgrades

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.27 Non-Firm Point-To-Point Transmission Service

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.28 Open Access Same-Time Information System (OASIS)

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.29 Part I

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.30 Part II

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.31 Part III

Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.32 Parties

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.33 Point(s) of Delivery

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.34 Point(s) of Receipt

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.35 Point-To-Point Transmission Service

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.36 Power Purchaser

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.37 Receiving Party

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.38 Regional Transmission Group (RTG)

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.39 Reserved Capacity

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.40 Service Agreement

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.41 Service Commencement Date

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.42 Short-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.43 SWRTA

Southwest Regional Transmission Association, an RTG.

1.44 System Impact Study

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.45 Third-Party Sale

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.46 Transmission Customer

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.47 Transmission Provider

Arizona Public Service Company.

1.48 Transmission Provider's Monthly Transmission System Peak

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.49 Transmission Service

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.50 Transmission System

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.51 Working Day

Monday through Friday, excluding NERC-recognized holidays and the day after Thanksgiving.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transmission Capability

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one-year or longer.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i)

have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5 and 6) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.6 below list the six Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation Sources Service

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service

Where applicable the rates and/or methodology are described in Schedule 6.

4 Other Services

4.1 Other Transmission Services

4.1.1 Local Distribution Facilities Wheeling Service

Where applicable the rates and/or methodology are described in Schedule 9.

4.2 Other Interconnected Operating Services

4.2.1 Real Power Loss Service

Where applicable the rates and/or methodology are described in Schedule 10.

5 Open Access Same Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities). In the event available transmission capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of a power pool or Regional Transmission Group also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer

that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

7 Billing and Payment

7.1 Billing Procedure

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

8 Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

8.1 Transmission Revenues

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

8.2 Study Costs and Revenues

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 Force Majeure

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by

governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

11 Creditworthiness

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, the Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against the risk of non-payment.

12 Dispute Resolution Procedures

Disputes under this Tariff between the Transmission Provider and an Eligible Customer who is a member of SWRTA will be resolved in accordance with the disputes resolution provisions contained in Section 8 of the SWRTA Bylaws. Disputes under this Tariff between the Transmission Provider and an Eligible Customer who is not a member of SWRTA will be resolved in accordance with the provisions of this Section 12.

12.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days or such other period as the Parties may agree upon by mutual agreement, such dispute may be submitted to peer review or mediation or to arbitration and resolved in accordance with the procedures set forth below.

12.2 External Arbitration Procedures

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the

arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

12.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

12.4.1 the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or

12.4.2 one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 Rights Under The Federal Power Act

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

PREAMBLE

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery.

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority

Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis *i.e.*, in the chronological sequence in which each Transmission Customer has reserved service. Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one Working Day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 9, 1996, or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint more economically by redispatching the Transmission Provider's resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments

will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service

13.7.1 The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

13.7.2 The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

13.7.3 The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transmission capacity is reserved by the Transmission Customer shall be

set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery.

13.8 Scheduling of Firm Point-To-Point Transmission Service

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m., MST, of the Working Day prior to commencement of such service. Schedules submitted after 10:00 a.m., MST, will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14 Nature of Non-Firm Point-To-Point Transmission Service**14.1 Term**

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority

Non-Firm Point-To-Point Transmission Service shall be available from transmission capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned to reservations with a longer duration of service. In the event the Transmission System is constrained, competing requests of equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 9, 1996, or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

14.5 Classification of Non-Firm Point-To-Point Transmission Service

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m., MST, of the Working Day prior to commencement of such service. Schedules submitted after 10:00 a.m., MST, will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Network Customers from non-designated resources. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability**15.1 General Conditions**

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transmission Capability

A description of the Transmission Provider's specific methodology for assessing available transmission capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transmission capability

may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System

If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

15.5 Deferral of Service

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses

Real power losses are associated with all transmission service. The Transmission Provider is not obligated to provide real power losses, but offers real power loss service pursuant to Schedule 10. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factor is 2.5%.

16 Transmission Customer Responsibilities**16.1 Conditions Required of Transmission Customers**

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- 16.1.1** The Transmission Customer has pending a Completed Application for service;
- 16.1.2** The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- 16.1.3** The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- 16.1.4** The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation; and
- 16.1.5** The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements,

including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17 Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: Arizona Public Service Company, P.O. Box 53999, Station 2260, Phoenix, Arizona 85072-3999 (or by fax to (602) 250-1127), at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by fax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application

A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- 17.2.1** The identity, address, telephone number and facsimile number of the entity requesting service;
- 17.2.2** A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- 17.2.3** The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- 17.2.4** The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or

pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

- 17.2.5 A description of the supply characteristics of the capacity and energy to be delivered;
- 17.2.6 An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- 17.2.7 The Service Commencement Date and the term of the requested Transmission Service; and
- 17.2.8 The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

17.3 Deposit

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of

the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transmission capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service

The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18 Procedures for Arranging Non-Firm Point-To-Point Transmission Service**18.1 Application**

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by fax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application

A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- 18.2.1** The identity, address, telephone number and facsimile number of the entity requesting service;
- 18.2.2** A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- 18.2.3** The Point(s) of Receipt and the Point(s) of Delivery;
- 18.2.4** The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and

18.2.5 The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

18.2.6 The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and

18.2.7 The electrical location of the ultimate load.

The Transmission Provider will treat this information in 18.2.6 and 18.2.7 as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) Working Days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the Working Day before service is to commence. Requests for service received later than 2:00 p.m., MST, prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transmission Capability

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transmission capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

19 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement

19.2.1 The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

19.2.2 If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

19.2.3 For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.2.

19.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, and if the Eligible Customer is a SWRTA member, then the Transmission Provider and the Eligible Customer shall follow the procedures for facilities studies set forth in Sections 4.3.6 through 4.3.11 of the SWRTA Bylaws. If the Eligible Customer is not a SWRTA member, then the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the

Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service

If the Transmission Provider determines that it will not have adequate transmission capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service**20.1 Delays in Construction of New Facilities**

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point

Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

20.3 Refund Obligation for Unfinished Facility Additions

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities

21.1 Responsibility for Third-Party System Additions

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities.

Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

- 22.1.1** Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
- 22.1.2** The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- 22.1.3** The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- 22.1.4** Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any

additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Parties through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service

In accordance with Section 4, Resellers may use the Transmission Provider's OASIS to post transmission capacity available for resale.

24 Metering and Power Factor Correction at Receipt and Delivery Points(s)

24.1 Transmission Customer Obligations

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

24.2 Transmission Provider Access to Metering Data

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved more economically by redispatching the Transmission Provider's resources than by building new facilities or upgrading existing facilities to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

PREAMBLE

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

28 Nature of Network Integration Transmission Service

28.1 Scope of Service

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transmission capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses

Real power losses are associated with all transmission service. The Transmission Provider is not obligated to provide real power losses, but offers real power loss service pursuant to Schedule 10. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factor is 2.5%.

28.6 Restrictions on Use of Service

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System.

29 Initiating Service**29.1 Condition Precedent for Receiving Service**

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed

unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

29.2 Application Procedures

An Eligible Customer requesting service under Part III of the Tariff must submit an Application to: Arizona Public Service Company, P.O. Box 53999, Station 2260, Phoenix, Arizona 85072-3999 (or by fax to (602) 250-1127), with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by fax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- 29.2.1** The identity, address, telephone number and facsimile number of the party requesting service;
- 29.2.2** A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- 29.2.3** A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- 29.2.4** The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be

implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to 29.2.3 above;

29.2.5 A description of Network Resources (current and 10-year projection), which shall include, for each Network Resource:

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
- Any periods of restricted operations throughout the year
- Maintenance schedules
- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWh) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource
- Description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System;

29.2.6 Description of Eligible Customer's transmission system:

- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- year projection of system expansions or upgrades

- Transmission System maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas; and

29.2.7 Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The

Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

30 Network Resources

30.1 Designation of Network Resources

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service pursuant to an Application under Section 29.

30.3 Termination of Network Resources

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time but should provide notification to the Transmission Provider as soon as reasonably practicable.

30.4 Operation of Network Resources

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus non-firm sales delivered pursuant to Part II of the Tariff, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.

30.5 Network Customer Redispatch Obligation

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plan or operations of the Transmission Provider to serve its power and transmission customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with the Transmission Provider. Calculation of the credit shall

be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31 Designation of Network Load

31.1 Network Load

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

31.3 Network Load Not Physically Interconnected with the Transmission Provider

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32 Additional Study Procedures For Network Integration Transmission Service Requests**32.1 Notice of Need for System Impact Study**

After receiving (i) an initial request for Network Integration Transmission Service, (ii) a request for a change in Network Loads and/or Network Resources, or (iii) a request for changes to existing and/or for additional delivery points, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement

- 32.2.1** The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- 32.2.2** If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- 32.2.3** For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the

filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, and if the Eligible Customer is a SWRTA member, then the Transmission Provider and the Eligible Customer shall follow the procedures for facilities studies set forth in Sections 4.3.6 through 4.3.11 of the SWRTA Bylaws. If the Eligible Customer is not a SWRTA member, then the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

33 Load Shedding and Curtailments

33.1 Procedures

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the

Network Operating Agreement with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 Curtailments of Scheduled Deliveries

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.

33.5 Allocation of Curtailments

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an

extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. Section 6.8 of Attachment G establishes the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

34.1 Monthly Demand Charge

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

34.2 Determination of Network Customer's Monthly Network Load

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

35 Operating Arrangements

35.1 Operation under The Network Operating Agreement

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the North American Electric Reliability Council (NERC) and the Western Systems Coordinating Council (WSCC), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and WSCC requirements. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 Network Operating Committee

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

SCHEDULE 1**Scheduling, System Control and Dispatch Service**

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

Maximum Scheduling, System Control and Dispatch Service Charges:

1) Annual Rate	\$0.283/kW/yr.
2) Monthly Rate	\$0.024/kW/mo.
3) Weekly Rate	\$0.005/kW/wk.
4) Daily delivery:	
a) Monday through Saturday, excluding NERC recognized holidays	\$0.001/kW/day
b) Sunday and all NERC recognized holidays	\$0.001/kW/day
5) Hourly Rates:	
On-Peak ¹	\$0.058/MWh
Off-Peak ²	\$0.032/MWh

¹ On-Peak Hours: The on-peak hours are the hours during the on-peak period. The on-peak period is Monday through Saturday, beginning the hour ending 0700 through the hour ending 2200, MST, excluding NERC recognized holidays. When any of these holidays fall on a Sunday, the following day will be recognized as the holiday.

² Off-Peak Hours: All hours other than on-peak hours.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

SCHEDULE 2**Reactive Supply and Voltage Control from
Generation Sources Service**

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation Sources Service is to be provided directly by the Transmission Provider. The Transmission Customer must purchase this service from the Transmission Provider. The charges for such service will be based on the rates set forth below.

This service will be provided at no charge until the Transmission Provider has developed a rate that has been filed with the Commission and allowed to be implemented; however, the Transmission Customer shall be responsible for maintaining a power factor of $\pm 95.0\%$.

1.0 Penalties for Non-Compliance:

- 1.1 Transmission Customers found to be in non-compliance with the Transmission Providers $\pm 95.0\%$ power factor requirement, upon receipt of an initial warning notice, shall be required to install all necessary equipment at their facilities within 45 days to cure any problem(s) so that the Transmission Customer's power factor meets the Transmission Provider's standards. The Transmission Customer shall be responsible for the cost of all necessary equipment needed to maintain the required power factor standard.

- 1.2 If, at the conclusion of the 45-day period allowed for correction of power factor performance after issuance of the initial warning notice, the Transmission Customer's power factor is still not within accepted standards, the Transmission Provider shall install all necessary equipment to correct the problem at the Transmission Customer's expense, in which event the Transmission provider will make a filing with the Commission pursuant to Section 205 of the Federal Power Act concerning such expense before charging the Transmission Customer.

SCHEDULE 3**Regulation and Frequency Response Service**

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent Transmission Provider cannot provide part or all of such requested Regulation and Frequency Response Service and must secure such service from a third party in order to fulfill its obligations for such service, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by such third party supplier.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of reserved capacity equal to 1.17 percent of the Transmission Customer's reserved capacity for point-to-point transmission service or 1.17 percent of the Transmission Customer's network load responsibility for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 1.17 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

Price Cap for Unbundled Regulation and Frequency Response Service of Operating Reserve

Service¹:

Annual Rate	\$88.952/kW/yr.
Monthly Rate	\$7.413/kW/mo.
Weekly Rate	\$1.711/kW/wk.
Daily Rate:	
a) Monday through Saturday, excluding NERC recognized holidays	\$0.285/kW/day
b) Sunday and all NERC recognized holidays	\$0.244/kW/day
Hourly Rate:	
On-Peak ²	\$18.168/MWh
Off-Peak ³	\$10.154/MWh

Price Cap for Unbundled Regulation and Frequency Response Service of Transmission Service⁴:

1) Annual Rate	\$1.037/kW/yr.
2) Monthly Rate	\$0.086/kW/mo.
Short-Term Service (less than 12 continuous months):	
	Summer Non-Summer (June-Sep) (Oct-May)
3) Monthly delivery (\$/kW per month)	0.112 0.086
4) Weekly delivery (\$/kW per week)	0.026 0.020
5) Daily delivery (\$/kW per day)	
a) Monday through Saturday, excluding NERC recognized holidays	0.004 0.003
b) Sunday and all NERC recognized holidays	0.004 0.003
6) Hourly Rate:	
On-Peak ⁵ (\$/MWh)	0.272 0.212

¹ The following charges represent the maximum rate (ceiling rate) that the Transmission Provider may charge for this service. Discounts to the above stated charges shall be allowed and may be offered on a comparable basis in accordance with Section 3 of the Tariff.

² On-Peak Hours: The on-peak hours are the hours during the on-peak period. The on-peak period is Monday through Saturday, beginning the hour ending 0700 through the hour ending 2200, MST, excluding NERC recognized holidays. When any of these holidays fall on a Sunday, the following day will be recognized as the holiday.

³ Off-Peak Hours: All hours other than on-peak hours.

⁴ The following charges represent the maximum rate (ceiling rate) that the Transmission Provider may charge for this service. Discounts to the above stated charges shall be allowed and may be offered on a comparable basis in accordance with Section 3 of the Tariff.

⁵ On-Peak Hours: The on-peak hours are the hours during the on-peak period. The on-peak period is Monday through Saturday, beginning the hour ending 0700 through the hour ending 2200, MST, excluding NERC recognized holidays. When any of these holidays fall on a Sunday, the following day will be recognized as the holiday.

Off-Peak¹ (\$/MWh) 0.153 0.118

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

This service is not intended to serve as a back-up or standby source of power to the Transmission Customer in the event of a discontinuance of service from the Transmission Customer's power supplier(s). In the event there is a discontinuance of service by such power supplier(s) of sixty minutes or longer, the Transmission Customer's load (including Regulation and Frequency Response Service) shall be curtailed unless alternate arrangements for standby service have been arranged in advance.

¹ Off-Peak Hours: All hours other than on-peak hours.

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation.

The Transmission Provider shall establish a deviation band of ± 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s). Parties should attempt to eliminate energy imbalances within the limits of the deviation band within thirty (30) days. If an energy imbalance is not corrected within thirty (30) days, the Transmission Customer will compensate the Transmission Provider for such service. Energy imbalances outside the deviation band will be subject to charges to be specified by the Transmission Provider. The charges for Energy Imbalance Service are set forth below.

Over-scheduled energy imbalances (resulting when the Transmission Customer's load is less than its third-party power scheduled into the Transmission System) within the $\pm 1.5\%$ deviation band shall be returned in-kind, or if not returned in-kind, the Transmission Customer shall receive payment equal to the sum of the Transmission Provider's decremental cost at the time of each over-scheduled energy delivery into its system. Under-scheduled energy imbalances (resulting when the Transmission Customer's load is greater than its third-party power scheduled into the Transmission System) within the deviation band shall be returned in-kind or, if not returned in-kind, the Transmission Customer shall be subject to a charge equal to the sum of

Transmission Provider's System Incremental (SIC)¹ cost at the time of each under-scheduled energy delivery into its system.

All over-scheduled energy imbalances outside the deviation band shall be subject to a payment or credit equal to ninety percent (90%) of the Transmission Provider's decremental cost at the time of each over-scheduling event outside the deviation band. All under-scheduled energy imbalances outside the deviation band shall be subject to a charge by the Transmission Provider equal to the greater of (i) 100 mills/kWh or (ii) SIC plus 10%.

¹ "System Incremental Cost" means any increase in costs incurred by the Transmission Provider as a result of performing any service(s) under this Tariff requiring the utilization of the Transmission Provider's generating units or purchases from third-parties. With respect to power and energy from generating units of the Transmission Provider, any costs that are directly incurred by the Transmission Provider to generate such power and energy and that would not have otherwise been incurred by the Transmission Provider, including, but not limited to fuel, labor, variable operations and maintenance, start-up, shut-down, fuel handling, taxes, and regulatory charges. System Incremental Cost of power and energy purchased from a third party shall also include the total amount paid for such power and energy by the Transmission Provider, plus any cost which otherwise would not have been incurred, including, but not limited to regulatory charges, emission allowances, transmission losses, third-party wheeling charges, and taxes.

SCHEDULE 5**Operating Reserve - Spinning Reserve Service**

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service is provided by generating units that are on-line and loaded at less than maximum output. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

A Transmission Customer purchasing Operating Reserve – Spinning Reserve Service will be required to purchase an amount of reserved capacity equal to 3.19 percent of the Transmission Customer's reserved capacity for point-to-point transmission service or 3.19 percent of the Transmission Customer's network load responsibility for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 3.19 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

Price Cap for Unbundled Spinning Reserve Service of Operating Reserve Service¹:

Annual Rate

\$75.159/kW/yr.

¹ The following charges represent the maximum rate (ceiling rate) that the Transmission Provider may charge for this service. Discounts to the above stated charges shall be allowed and may be offered on a comparable basis in accordance with Section 3 of the Tariff.

Monthly Rate		\$6.263/kW/mo.
Weekly Rate		\$1.445/kW/wk.
Daily Rate:		
a) Monday through Saturday, excluding NERC recognized holidays		\$0.241/kW/day
b) Sunday and all NERC recognized holidays		\$0.206/kW/day
Hourly Rate:	On-Peak ¹	\$15.351/MWh
	Off-Peak ²	\$8.580/MWh

Price Cap for Unbundled Regulation and Frequency Response Service of Transmission Service³:

1) Annual Rate		\$2.396/kW/yr.
2) Monthly Rate		\$0.200/kW/mo.
Short-Term Service (less than 12 continuous months):		
	Summer (June-Sep)	Non-Summer (Oct-May)
3) Monthly delivery (\$/kW per month)	0.259	0.200
4) Weekly delivery (\$/kW per week)	0.059	0.046
5) Daily delivery (\$/kW per day)		
a) Monday through Saturday, excluding NERC recognized holidays	0.010	0.008
b) Sunday and all NERC recognized holidays	0.008	0.007
6) Hourly Rate:		
	On-Peak ⁴ (\$/MWh)	0.630 0.489
	Off-Peak ⁵ (\$/MWh)	0.353 0.274

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

¹ On-Peak Hours: The on-peak hours are the hours during the on-peak period. The on-peak period is Monday through Saturday, beginning the hour ending 0700 through the hour ending 2200, MST, excluding NERC recognized holidays. When any of these holidays fall on a Sunday, the following day will be recognized as the holiday.

² Off-Peak Hours: All hours other than on-peak hours.

³ The following charges represent the maximum rate (ceiling rate) that the Transmission Provider may charge for this service. Discounts to the above stated charges shall be allowed and may be offered on a comparable basis in accordance with Section 3 of the Tariff.

⁴ On-Peak Hours: The on-peak hours are the hours during the on-peak period. The on-peak period is Monday through Saturday, beginning the hour ending 0700 through the hour ending 2200, MST, excluding NERC recognized holidays. When any of these holidays fall on a Sunday, the following day will be recognized as the holiday.

⁵ Off-Peak Hours: All hours other than on-peak hours.

This service is not intended to serve as a back-up or standby source of power to the Transmission Customer in the event of a discontinuance of service from the Transmission Customer's power supplier(s). In the event there is a discontinuance of service by such power supplier(s) of sixty minutes or longer, the Transmission Customer's load (including Operating Reserve - Spinning Reserve Service) shall be curtailed unless alternate arrangements for standby service have been arranged in advance.

SCHEDULE 6**Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

A Transmission Customer purchasing Operating Reserve – Supplemental Reserve Service will be required to purchase an amount of reserved capacity equal to 2.62 percent of the Transmission Customer's reserved capacity for point-to-point transmission service or 2.62 percent of the Transmission Customer's network load responsibility for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 2.62 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

Price Cap for Unbundled Supplemental Reserve Service of Operating Reserve Service¹:

Annual Rate	\$11.581/kW/yr.
Monthly Rate	\$0.965/kW/mo.
Weekly Rate	\$0.223/kW/wk.
Daily Rate:	

¹ The following charges represent the maximum rate (ceiling rate) that the Transmission Provider may charge for this service. Discounts to the above stated charges shall be allowed and may be offered on a comparable basis in accordance with Section 3 of the Tariff.

a) Monday through Saturday, excluding NERC recognized holidays	\$0.037/kW/day
b) Sunday and all NERC recognized holidays	\$0.032/kW/day
Hourly Rate: On-Peak ¹	\$2.366/MWh
Off-Peak ²	\$1.322/MWh

Price Cap for Unbundled Regulation and Frequency Response Service of Transmission Service³:

1) Annual Rate	\$0.303/kW/yr.
2) Monthly Rate	\$0.025/kW/mo.
Short-Term Service (less than 12 continuous months):	
	Summer Non-Summer (June-Sep) (Oct-May)
3) Monthly delivery (\$/kW per month)	0.033 0.025
4) Weekly delivery (\$/kW per week)	0.008 0.006
5) Daily delivery (\$/kW per day)	
a) Monday through Saturday, excluding NERC recognized holidays	0.001 0.001
b) Sunday and all NERC recognized holidays	0.001 0.001
6) Hourly Rate: On-Peak ⁴ (\$/MWh)	0.079 0.062
Off-Peak ⁵ (\$/MWh)	0.045 0.035

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

¹ On-Peak Hours: The on-peak hours are the hours during the on-peak period. The on-peak period is Monday through Saturday, beginning the hour ending 0700 through the hour ending 2200, MST, excluding NERC recognized holidays. When any of these holidays fall on a Sunday, the following day will be recognized as the holiday.

² Off-Peak Hours: All hours other than on-peak hours.

³ The following charges represent the maximum rate (ceiling rate) that the Transmission Provider may charge for this service. Discounts to the above stated charges shall be allowed and may be offered on a comparable basis in accordance with Section 3 of the Tariff.

⁴ On-Peak Hours: The on-peak hours are the hours during the on-peak period. The on-peak period is Monday through Saturday, beginning the hour ending 0700 through the hour ending 2200, MST, excluding NERC recognized holidays. When any of these holidays fall on a Sunday, the following day will be recognized as the holiday.

⁵ Off-Peak Hours: All hours other than on-peak hours.

This service is not intended to serve as a back-up or standby source of power to the Transmission Customer in the event of a discontinuance of service from the Transmission Customer's power supplier(s). In the event there is a discontinuance of service by such power supplier(s) of sixty minutes or longer, the Transmission Customer's load (including Operating Reserve - Supplemental Reserves Service) shall be curtailed unless alternate arrangements for standby service have been arranged in advance.

SCHEDULE 7**Long-Term Firm and Short-Term Firm Point-To-Point
Transmission Service**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

Long-Term Firm Point-to-Point Service (12 continuous months or longer):

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$17.12/kW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$1.43/kW of Reserved Capacity per month.

Short-Term Firm Point-to-Point Service (less than 12 continuous months):

	Summer (June-Sep)	Non-Summer (Oct-May)
3) Monthly delivery (\$/kW of Reserved Capacity per month)	2.27	1.43
4) Weekly delivery (\$/kW of Reserved Capacity per week)	0.524	0.329
5) Daily delivery (\$/kW of Reserved Capacity per day)		
a) Monday through Saturday, excluding NERC recognized holidays ¹	0.087	0.055
b) Sunday and all NERC recognized holidays	0.075	0.047

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (4) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

Short-term rates, for transmission customers who renew or enter into a series of short-term firm transmission agreements, shall be subject to an annual revenue cap based on the annual charge for Long-Term PTP Service in section (1) above multiplied by the customer's highest kW reservation during the twelve month period ending with the current billing month.

6) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated

¹ When any of these holidays fall on a Sunday, the following day will be recognized as the holiday.

requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

7) **Overrun of Reserved Transmission Capacity:** APS will assess a charge for unauthorized use of transmission service at a rate equal to two (2) times the maximum allowable rate for the service at issue. The charge will be applied to use in excess of the reservation amount ("the overrun"), which shall be the difference between the maximum integrated hourly amount of transmission service actually used by the customer less the amount of transmission service the customer has reserved for such hour. The transmission customer will incur the charge for maximum hourly overrun during the calendar month, or for the period of transmission service if such service is for a term of less than one month.

These charges are intended to serve as a disincentive to Transmission Customers "overrunning" their reserved capacity amounts on the transmission system.

8) **Reserved Capacity:** Capacity reservations at points of receipt must include the transmission capacity amount associated with applicable losses on the Transmission System.

SCHEDULE 8**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) **Monthly delivery:** \$1.43/kW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$0.329/kW of Reserved Capacity per week.
- 3) **Daily delivery:** (/kW of Reserved Capacity per day):
 - a) Monday through Saturday (excluding NERC recognized holidays) \$0.055
 - b) Sunday and all NERC recognized holidays \$0.047

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$3.50/MWh for on-peak, non-firm point-to-point Transmission Service¹ and \$1.95/MWh for off-peak, non-firm point-to-point Transmission Service². The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all

¹ **On-Peak Hours:** The on-peak hours are the hours during the on-peak period. The on-peak period is Monday through Saturday, beginning the hour ending 0700 through the hour ending 2200, MST, excluding NERC recognized holidays.

² **Off-Peak Hours:** All hours other than on-peak hours.

Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

6) **Overrun of Reserved Transmission Capacity:** APS will assess a charge for unauthorized use of transmission service at a rate equal to two (2) times the maximum allowable rate for the service at issue. The charge will be applied to use in excess of the reservation amount ("the overrun"), which shall be the difference between the maximum integrated hourly amount of transmission service actually used by the customer less the amount of transmission service the customer has reserved for such hour. The transmission customer will incur the charge for maximum hourly overrun during the calendar month, or for the period of transmission service if such service is for a term of less than one month.

7) **Reserved Capacity:** Capacity reservations at points of receipt must include the transmission capacity amount associated with applicable losses on the Transmission System.

SCHEDULE 9

Local Distribution Facilities Wheeling Service

Eligible Customers may require the Transmission Provider to transmit their third-party power and energy over facilities that are not part of the Transmission Provider's integrated bulk transmission system. Use of such facilities will subject the Transmission Customer to an additional monthly charge based on the direct assignment of the Local Distribution Facilities utilized in performing the requested service. This direct assignment charge will be developed based upon the results of any required Facilities Study or System Impact Study, and will be stated in the Transmission Customer's applicable service agreement.

SCHEDULE 10**Real Power Loss Service**

Capacity and energy losses occur when a Transmission Provider delivers electricity across its transmission facilities for a Transmission Customer. A Transmission Customer may elect to (1) supply the capacity and/or energy necessary to compensate the Transmission Provider for such losses, (2) receive an amount of electricity at delivery points that is reduced by the amount of losses incurred by the Transmission Provider, or (3) have the Transmission Provider supply the capacity and/or energy necessary to compensate for such losses. The procedures to determining the amount of losses associated with a transaction are set forth below. If Real Power Loss Service is supplied by the Transmission Provider, the applicable charges for such service are set forth below. Both the procedures for determine the amount of losses and the charges for loss compensation service must be consistent with the rate design of the transmission rates charged by the Transmission Provider.

The loss factor to determine the amount of losses associated with a transaction shall be 2.5%. The Transmission Provider will account for losses by multiplying the sum of hourly energy delivered to the Transmission Customer's Points of Delivery during a billing period by the quotient of (i) 0.025 divided by (ii) 0.975.

If the Transmission Customer elects to have the Transmission Provider compensate for losses under option 3 above, the Transmission Customer shall be charged for Loss Compensation Service at a rate equal to 115% of the Transmission Provider's System Incremental Cost (SIC).¹

¹ System Incremental Cost" means any increase in costs incurred by the Transmission Provider as a result of performing any service(s) under this Tariff requiring the utilization of the Transmission Provider's generating units or purchases from third-parties. With respect to power and energy from generating units of the Transmission Provider, any costs that are directly incurred by the Transmission Provider to generate such power and energy and that would not have otherwise been incurred by the Transmission Provider, including, but not limited to fuel, labor, variable operations and maintenance, start-up, shut-down, fuel handling, taxes, and regulatory charges. System Incremental Cost of power and energy purchased from a third party shall also include the total amount paid for such power and energy by the Transmission Provider, plus any cost which otherwise would not have been incurred, including, but not limited to regulatory charges, emission allowances, transmission losses, third-party wheeling charges, and taxes.

ATTACHMENT A

**Form Of Service Agreement For
Firm Point-To-Point Transmission Service**

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

If the Transmission Customer requests "umbrella" type service, this Service Agreement provides an "umbrella" agreement for short-term firm point-to-point transmission service in accordance with provisions in Part II of the Transmission Provider's Open Access Transmission Tariff.

Requests for specific short-term firm transmission service shall be evaluated on an individual basis upon the Transmission Customer providing the Transmission Provider the information regarding each requested transaction as set forth in Sections 18.2.1 and 18.2.3 - 18.2.7 (inclusive) of the Transmission Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Arizona Public Service Company
502 S. 2nd Avenue, Station 2259
Phoenix, Arizona 85003

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates. (Attach additional sheets, if necessary.)

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):

6.0 Designation of party(ies) subject to reciprocal service obligation:

7.0 Name(s) of any Intervening Systems providing transmission service:

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charges:

8.3.1 Local Distribution Facilities Wheeling Charge: _____

8.3.2 _____

8.3.3 _____

8.3.4 _____

8.3.5 _____

8.4 Ancillary Services Charges:

8.4.1 Scheduling, System Control and Dispatch Services: _____

8.4.2 Reactive Supply and Voltage Control from Generation: No Charge

8.4.3 Regulation and Frequency Response Service _____

8.4.4 Energy Imbalance Services: As per Schedule 4

8.4.5 Operating Reserve - Spinning Reserve Service: _____

8.4.6 Operating Reserve - Supplemental Reserve Service: _____

8.5 Other Services:

8.5.1 Local Distribution Facilities Wheeling Service: See 8.3.1 above

8.5.2 Real power Loss Service: As per Schedule 10

ATTACHMENT B

**Form Of Service Agreement For Non-Firm Point-To-Point
Transmission Service**

1.0 This Service Agreement, dated as of _____, is entered into, by and between Arizona Public Service Company ("Transmission Provider"), an Arizona public service corporation, and _____ ("Transmission Customer").

2.0 Transmission Customer has been determined by Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.

If the Transmission Customer requests "umbrella" type service, this Service Agreement provides an "umbrella" agreement for non-firm point-to-point transmission service in accordance with provisions in Part II of the Transmission Provider's Open Access Transmission Tariff.

Requests for specific non-firm transmission service shall be evaluated on an individual basis upon the Transmission Customer providing the Transmission Provider the information regarding each requested transaction as set forth in Sections 18.2.1 and 18.2.3 - 18.2.7 (inclusive) of the Transmission Tariff.

3.0 Service under this Agreement shall be provided by Transmission Provider upon request by an authorized representative of Transmission Customer.

4.0 Transmission Customer agrees to supply information Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 Transmission Provider agrees to provide and Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Arizona Public Service Company
502 S. 2nd Avenue, Station 2259
Phoenix, Arizona 85003

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name

Title

Date

Transmission Customer:

By: _____
Name

Title

Date

ATTACHMENT C**Methodology To Assess Available Transmission Capability**

In assessing the Available Transmission Capability (“ATC”) of its transmission system capacity to fulfill new requests for transmission service, the Transmission Provider shall use a 10 year planning horizon and may exclude transmission capacity needed to meet the forecasted loads of its Native Load customers, contractual obligations of any existing or new firm transmission service agreements, contractual obligations of current or new agreements for firm sales to third parties, and pending applications for firm Point-to-Point and Network Integration Transmission Services.

1. Determination of ATC

The process for determining ATC should be reasonable, auditable and supportable. It consists of three steps: (1) the determination of Total Transfer Capability (TTC), (2) the allocation of TTC between Rights Holders, and (3) the determination of each transmission Rights Holder’s Committed Uses. ATC is then determined by subtracting Committed Uses from allocated TTC.

$$\text{ATC} = \text{TTC (allocated)} - \text{Committed Uses}$$

Using NERC ATC terminology,

$$\text{Committed Uses} = \text{TRM} + \text{Existing Transmission Commitments (including CBM)}$$

where TRM = Transmission Reliability Margin
CBM = Capacity Benefit Margin

“Committed Uses” is described in Section 6.3 in terms of the six RTG categories of Committed Uses, NERC TRM, Existing Transmission Commitments and CBM.

For information on the determination of ATC and the related operating and planning relationships, refer to the NERC document, “Available Transfer Capability_Definitions and Determination” specifically the Sections entitled Determination of Available Transfer Capability, page 15, Commercial Components of Available Transfer Capability, pages 15 to 18, and Recallable and Non-recallable Relationships and Priorities, pages 18 to 21.

1.1 Determination of Total Transfer Capability (TTC)

TTC represents the reliability limit of a transmission path at any specified point in time. It is a variable quantity, dependent upon operating conditions in the near term and

forecasted conditions in the long term. TTC cannot exceed the path rating. Within the Western Interconnection, a wide area approach is used to determine Total Transfer Capability (TTC) on a path basis using the Rated System Path method discussed in WSCC's "Procedures for Regional Planning Project Review and Rating Transmission Facilities" and NERC's "Report on Available Transfer Capability Definitions and Determination". The determination of TTC is required to conform with WSCC's "Procedures for Regional Planning Project Review and Rating Transmission Facilities" and WSCC's "Minimum Operating Reliability Criteria". If a Rights Holder (Transmission Provider) chooses not to obtain a WSCC Accepted Rating, it still must conform to the rating methods defined in these documents. Specific system operating conditions (system topology, load/generation patterns, simultaneous path loadings, and facility outages) may require that TTC or TRM be adjusted to maintain system reliability.

TTC may sometimes be better defined by a nomogram or set of nomograms than by a single number, particularly when determining TTC values for two or more parallel paths. Where the simultaneous transfer capabilities of paths are limited by the interactions of flows on paths, the Rights Holder (Transmission Provider) should make this known on the OASIS. This may be done by posting non-simultaneous TTC and subtracting TRM, where TRM includes the difference between non-simultaneous and simultaneous limits. As an alternative to computing TRM, the Rights Holder may post non-simultaneous TTC and describe on the OASIS the nomogram and associated curtailment conditions. In either case, Non-recallable ATC should be based on the best estimate of the simultaneous capability of the path during the period posted.

1.2 Allocation of TTC

When multiple ownership of transmission rights exists on a path or parallel paths, it is necessary to reach agreement on the allocation of transmission rights in order to determine and report ATC.¹ A single TTC number, appropriate for the actual or projected condition of the transmission system, will be agreed upon for the path and this TTC will then be allocated between the Rights Holders, to yield each Rights Holder's share of the path's TTC for the ATC posting period.

If the multiple Rights Holders can't come to an agreement amongst themselves, the WSCC and the RTGs in the Western Interconnection provide several dispute resolution forums through which path rating and allocation issues may be addressed.

1.3 Determination of Committed Uses

¹ The allocation rules may address allocations for both normal conditions and system outage conditions.

This section describes the principles, practices and methodology for the determination of Committed Uses in terms of the NERC components of TRM, Existing Transmission Commitments and CBM. The relationship is shown between these components and the five components of Committed Uses (CU1 - CU5) which are delineated in the western RTG Governing Agreements. The five categories of RTG Committed Uses are:

1. Native Load Uses (CU1)
2. Prudent Reserves (CU2)
3. Existing Commitments for purchases/exchanges/deliveries/sales (CU3)
4. Existing Commitments for transmission service (CU4)
5. Other Pending Potential Uses of transfer capability (CU5)

1.3.1 Principles for Determination of Committed Uses

This document adopts a non-prescriptive approach for addressing the determination of Committed Uses. A prescriptive approach based on uniform rules, planning criteria, and assumptions was felt unworkable in the near-term and unnecessary in the long-term. For the same reasons, it was also decided not to develop a list of "safe harbor" assumptions or specific criteria for reasonable assumptions.

The key to the successful implementation of the non-prescriptive approach is development of specific principles, guidelines and reasonableness tests that will be used by transmission Rights Holders in making their assumptions and determinations of Committed Uses and will provide guidance for dispute resolution proceedings.

Under this non-prescriptive approach, Rights Holders will be expected to:

- Use reasonable, "good-faith" assumptions, consistent with general principles outlined in this document
- Make those assumptions and the underlying justifications for those assumptions available, in accordance with NERC and WSCC standards, the RTA Governing Agreements, FERC Order 888 and FERC Order 889.
- Justify such assumptions and results, if called upon to do so, in applicable dispute resolution forums, (i.e. FERC 888 tariff process and RTG, WSCC or other dispute resolution processes).
- Adopt assumptions which are consistent with documented and consistently applied reliability requirements, including WSCC Minimum

Operating Reliability Criteria, WSCC Power Supply Design Criteria, WSCC Reliability Criteria for System Planning , and the transmission provider's documented and consistently applied internal reliability criteria.

- Apply all assumptions comparably, non-discriminatorily and reasonably. A Rights Holder's assumptions and methodologies, taken as a whole, must be consistently applied and treat all transmission users (including the Rights Holder) in a comparable and non-discriminatory manner.
- Use assumptions and methodologies that reasonably maximize the availability of transfer capability for market participants, provided that the outcome meets transmission system reliability requirements and does not impose uncompensated costs on the Rights Holder.
- A Rights Holder's assumptions and methodologies for determining ATC must be consistent with the assumptions used by the Rights Holder in other aspects of its business (for example, system planning).

1.3.2 Determination of NERC Transmission Reliability Margin (TRM)

NERC TRM is a part of RTG Prudent Reserves - (CU 2)

In the Western Interconnection methodology, TTC (or non-recallable ATC) reductions associated with TRM may include allowances for unscheduled flow, simultaneous limitations associated with operation under a nomogram, uncertainty in load forecast ¹ and unplanned transmission outages (for paths in which contingencies have not already been considered in establishing the path rating). TRM does not include allowances for planned outages and other known transmission conditions which should be included in the calculation of TTC. The Rights Holder has the option of including the above described components of TRM in either the determination of TRM or TTC, but not in both. The Rights Holder should make its methodology and assumptions for determination of TRM available upon request.

Allowances for transmission contingencies should not be included in TRM for paths which have had an Accepted Rating established, since contingencies are already

¹ Rights Holders (Transmission Providers) allowances for load forecasts uncertainty may be part of TRM provided that: (1) the allowance is available on a comparable and recallable basis to all Rights Holders, (2) the allowance reduces the exposure to curtailments to all Rights Holders on a prorata basis for unanticipated load, and (3) the allowance does not duplicate consideration of uncertainty within the load forecast itself.

included in the determination of the Accepted Rating. A Rights Holder which desires to reduce its risk of pro-rata curtailment must explicitly request a reservation of additional rights. Such rights cannot be reserved under the auspices of Prudent Reserve or TRM. Where such reserved rights are not scheduled for use, the Rights Holder is required to make such rights available to other transmission service requesters in accordance with FERC Order 888 rules.

Unscheduled flow may be handled in either of two ways, either of which is acceptable, provided that the methodology is applied consistently and non-discriminatorily:

- The path can be reserved up to its TTC, without factoring in any estimates of unscheduled flows. In such a case, when unscheduled flows materialize, accommodations and curtailments will be made consistent with the WSCC Unscheduled Flow Mitigation Plan.
- The path operator, using reasonable, auditable, supportable projections, may subtract sufficient transfer capability from TTC, as a component of TRM, to reduce the need to make curtailments associated with projected unscheduled flows.¹ This should be made available as recallable transfer capability in case unscheduled flow is less than anticipated.

1.3.3 Determination of NERC “Existing Transmission Commitments”

This section identifies those items to be included in the determination of “Existing Transmission Commitments”.

NERC “Existing Transmission Commitments” are included in the following four RTG Committed Use categories:

- (1) Native Load Uses (CU 1)
- (2) Existing Commitments for Purchases/Exchanges/Sales (CU 3)
- (3) Existing Commitments for Transmission Service (CU4)
- (4) Other Pending Potential Uses (CU5).

The following address Native Load Uses - (CU1):

¹ Note: the SWRTA Bylaws specifically permit the exclusion of transmission capacity needed to accommodate unscheduled flows, at levels consistent with the WSCC Unscheduled Flow Mitigation Plan. Making allowances for projected unscheduled flows based on assumptions that are appropriate for the time horizon of the ATC estimate would be consistent with making the best technical estimate of ATC, and would therefore be consistent with the NERC ATC report.

- Reservations for Native Load Growth: Rights Holders may reserve existing transfer capability needed for reasonably forecasted Native Load growth and transmission customer Native Load growth¹. Transfer Capability reserved for a Rights Holder's load growth must be made available for use by others until the time that it is actually needed by the Rights Holder.
- Loss of Native Load: If a customer constituting a portion of a Rights Holder's Native Load is served by another entity for a given period of time and releases the Rights Holder from any obligation to serve for a given period, the Rights Holder shall adjust its native load forecast and any associated transmission reservation accordingly. The Rights Holder shall have a reasonable amount of time to adjust the native load forecast and any associated transmission reservation after receiving notice from the other entity.
- Native Load Forecasts: ATC determination does not presume the existence of sanctioned forecasts by regulatory agencies, although a Rights Holder may use such a sanction in arguing the reasonableness of its determination of Committed Uses. In making reservations for Native Load, Rights Holders must use reasonable assumptions, make available those assumptions and the resulting conclusions, and be able to justify the reasonableness of those assumptions and the resulting conclusions, as well as their consistency with then-current FERC policies, in applicable dispute resolution proceedings.
- Ancillary Services (required as a part of Native Load service): Transfer capability should be reserved under Native Load for those ancillary services required to serve Native Load.² These include transfer capability required to supply load regulation and frequency response services, reactive supply and voltage control services, and energy imbalance services. Ancillary services for Operating Reserves are covered under Section 6.3.4.
- Reservations Beyond Reliability-Based Needs: A Rights Holder may reserve ATC for the import of power which is beyond the amount reserved for reliability needs of their Native Load customers, only to the extent permitted under the FERC's Order 888, or the Right Holder's own open access tariff and is otherwise consistent with the Federal Power Act and the FERC's applicable

¹ See footnote 2.

² Reservations must be explicitly forecasted and determined as part of Committed Uses, as either network Non-Recallable service or point-to-point Non-recallable service (depending on whether the user of the service is the load entity or the generation entity, and depending on whether the user of the service is a network customer of a point-to-point customer). Charges for transmission reserved should be consistent with the appropriate tariff.

standards and policies then in effect. See Appendix II for further discussion of the provisions of the pro forma tariff applicable to the service of Native Load.

The following are “Existing Commitments” Uses (CU3 and CU4):

- Existing Commitments: Committed Uses associated with existing commitments at the time of the ATC determination are permissible. Determinations for these types of Committed Uses must be made available and are subject to evaluation upon request and in applicable dispute resolution forums.
- Non-Recallable Transmission Reservations for Energy Transactions: Transfer capability for energy transactions that can reasonably be expected to be consummated, such as expected hydro conditions, can be a Committed Use for the Rights Holder (including an affiliated merchant business) to the extent consistent with the reservation provisions of the approved tariff by purchasing non-recallable point-to-point transmission service from available transfer capability. Such transfer capability can be reserved for expected energy transactions, but must be released for recallable uses on a scheduling basis in real-time if unused or as otherwise required in accordance with the reservation priorities provided in the Rights Holder’s tariff.

The following are Other Pending Uses (CU5):

- Good Faith Requests: Reservations for “Pending Uses” applies to “good faith requests” for transmission service received by a Rights Holder in accordance with applicable FERC or RTG request for service policy.¹

1.3.4 Determination of NERC Capacity Benefit Margin (CBM)

Reservations required to maintain reliability of service (ancillary services, operating reserves, etc.) in accordance with a tariff’s terms and conditions, must be considered Committed Uses. In accordance with the terms and conditions of the Right Holder’s tariff, these reservations may be sold on a recallable basis.

The following are Native Load Uses (CU1)

- Ancillary Services (Operating Reserves): Transmission reserved by the control area operator to accommodate operating reserves (spinning and supplemental) can be reserved under CBM for the Rights Holder’s ability to transmit the reserves for

¹ The methodology used to determine Pending Uses Reservations must be consistent with prudent utility practice, must be clearly documented and consistently followed, must be applied in a non-discriminatory manner, and must be auditable.

its own potential resource contingencies or when operating reserves are pooled for the purpose of meeting reliability requirements. In order for these reservations to be deemed reasonable, such operating reserves may not exceed NERC, WSCC, applicable pool requirements or individual members' reliability requirements. The associated transmission should be explicitly included in the determination of CBM.

- Reservations of Transmission for Purposes Other than Energy Delivery: In certain cases, a Rights Holder may desire to reserve transmission for purposes other than energy delivery - for example, to provide a path for the import of ancillary services (such as spinning reserves) from another control area; or to allow imports on a different path (in a case where a control area requires a certain amount of unscheduled transfer capability for stability reasons). Similar to reserve sharing arrangements, such reservations are legitimate Committed Uses by a transmission Rights Holder, and may be included under CU1, to the extent that they are associated with meeting native load reliability requirements (rather than being economics-driven).

The following are Prudent Reserves Uses (CU2)

Reservations of additional transfer capability for resource contingencies must be based upon reasonable, publicly available assumptions subject to evaluation in applicable dispute resolution proceedings. The methodology for determining the amount of Prudent Reserve must be consistent with prudent utility practice, must be clearly documented and consistently followed, must be applied in a non-discriminatory manner, and must be auditable.

- Generation Patterns and Generation Outages: Many generation patterns and forced generation outages occur in the power system. These may be considered when determining Committed Uses, to the extent that deductions from ATC associated with these uncertainties use assumptions that are consistent with the planning and service reliability criteria which the Rights Holder uses in serving its customers.¹

¹ As uncertainty in forecasts diminishes, a Rights Holder must release transmission capacity in a manner that is consistent with prudent utility practice, clearly documented, and consistently followed, applied in a non-discriminatory manner, and auditable.

GLOSSARY

Accepted Rating: a path rating obtained through the WSCC three-phase rating process that is the recognized and protected maximum capability of the path.

Available Transfer Capability (ATC): a measure of the transfer capability remaining in the physical transmission network for further commercial activity, over and above already-committed uses.

Capacity Benefit Margin (CBM): that amount of transmission transfer capability reserved by load-serving entities to ensure access to generation from interconnected systems to meet generation reliability requirements.

Committed Uses: Five committed uses described in the RTG Governing Agreements as described in this document.

Native Load: existing and reasonably-forecasted customer load for which the Rights Holder - by statute, franchise, contract or regulatory policy - has the obligation to plan, construct or operate its system to provide reliable service.

Prudent Reserve: the amount of transfer capability set aside for a Rights Holder's reasonable reliability requirements.

Rights Holder: an entity holding transfer capability rights through ownership, contractual agreement, or other transmission service arrangement. As used in this document, a Rights Holder may be either the Transmission Provider or a Transmission Customer as those terms are used in the FERC's pro-forma tariff. Some references to Rights Holder may apply only to the Transmission Provider in the context of the provisions of the pro-forma tariff.

RTG Governing Agreements: Northwest Regional Transmission Association Governing Agreement, Southwest Regional Transmission Association Bylaws, and the Western Regional Transmission Association Governing Agreement.

Total Transfer Capability (TTC): the amount of electric power that can be transferred over the interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post- contingency system conditions.

Transmission Reliability Margin (TRM): that amount of transmission transfer capability necessary to ensure that the interconnected transmission network is secure under a reasonable range of uncertainties in system conditions.

WSCC: Western Systems Coordinating Council

ATTACHMENT D**Methodology for Completing a System Impact Study**

Upon receipt of a request for service pursuant to the applicable terms and conditions of this Tariff, the Transmission Provider will complete a System Impact Study associated with the requested transmission service. The study procedure will use Good Utility Practice and the engineering and operating principles, standards, guidelines, and criteria of the Transmission Provider, the WSCC, and SWRTA of which the Transmission Provider is a member, NERC, or any similar organization that may exist in the future of which the Transmission Provider is then a member.

The Transmission Provider shall use its sole discretion as to the scope, details and methods used to perform the Study. If necessary, a meeting between the Transmission Provider and applicant shall be held as soon as practical after execution of the Service Agreement to: (a) review the application and any known issue that could affect the scope of the study; and (b) develop a scope of study. The location of the meeting shall be at the Transmission Provider's offices unless the parties mutually agree to another location.

Factors to be considered in determining the capacity availability on the Transmission Provider's Transmission system will include but not be limited to:

1. Steady state power flow study results;
2. Stability study results;
3. WSCC, SWRTA, NERC, and the Transmission Provider's system design criteria;
4. Transmission capacity of the existing system;
5. Transmission capacity of the system after the request is added;
6. Reliability requirements of the Transmission Provider and applicant;
7. Type and terms of the service requested;
8. Capacity needed to meet current and 10-year forecasted load of Native Load Customers and Network Customers' loads; and
9. Capacity needed to meet contractual obligations that are expected before the requested Transmission Service begins.

ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

Customer

Date of Service Agreement

ATTACHMENT F

**Service Agreement For
Network Integration Transmission Service**

1. This Service Agreement, dated as of _____, is entered into by and between Arizona Public Service Company ("Transmission Provider"), an Arizona public service corporation, and _____ ("Transmission Customer").
2. Transmission Customer has been determined by Transmission Provider to be a Transmission Customer under Part III of this Tariff and has submitted a Completed Application for Network Integration Transmission Service in accordance with Section 29.2 of this Tariff.
3. Transmission Customer has provided to Transmission Provider an Application deposit in the amount of \$ _____, in accordance with the provisions of Section 29.2 of this Tariff.
4. Transmission Customer has executed a Network Operating Agreement with APS.
5. Service under this Service Agreement shall commence on the later of (1) _____ or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this Service Agreement shall terminate on .
6. Transmission Provider shall provide and Transmission Customer shall take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of this Tariff, this Service Agreement, and the Network Operating Agreement, as they may be amended from time to time. Exhibit 1 to this Service Agreement lists initial Network Resources, Network Loads, points of interconnection between Transmission Customer's facilities and Transmission Provider's Transmission System, and Transmission Customer's initial Load Ratio Share.
7. The Network Customer's Load Ratio Share and Monthly Demand Charge shall change each month that another Network Customer initiates service or leaves the system. At the end of the subsequent summer period (June through September), the revised Load Ratio Share for the summer period shall be used to compute the billing adjustment to be made for each month the Network Customer's Monthly Demand Charge was based on a different Load Ratio Share.
8. Network Customers commencing transmission service in the non-summer (October through May) period, and who have no recent summer period (June through September)

load history, shall pay a Monthly Demand Charge based on a "Preliminary Load Ratio Share" calculated on a progressive four month rolling average basis beginning with their first month of service. The Preliminary Load Ratio Share will change each month that another Network Customer initiates service or leaves the system. Upon the conclusion of the Network Customer's initial full summer period of service, appropriate billing adjustments will be made to each month for which the Network Customer's Monthly Demand Charge was based on a Preliminary Load Ratio Share.

9. Transmission Provider shall provide and Transmission Customer shall take and pay for the services, as indicated below:

- 9.1 Scheduling, System Control and Dispatch Service:

- 9.2 Reactive Supply and Voltage Control from Generation Sources Service:

- 9.3 Regulation and Frequency Response Service:

9.4 Energy Imbalance Service:

9.5 Operating Reserve - Spinning Reserve Service:

9.6 Operating Reserve - Supplemental Reserve Service:

9.7 Losses Service:

9.8 Distribution Wheeling Service:

9.9 Details of charges for all applicable redispatch costs:

10. Any notice or request, other than requests to schedule specific transactions, made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below:

Transmission Provider:

Arizona Public Service Company
Box 53999, Station 2260
Phoenix, Arizona 85072-3999

Prescheduling Telephone No.: (602) 250-1361

Real Time Scheduling Telephone No.: (602) 250-1318

Transmission Customer:

11. The Tariff is incorporated herein and made a part hereof.
12. Payments for Network Integration Transmission Service provided to Transmission Customer by Transmission Provider under this Agreement shall be sent to the name and address indicated on the bill provided to Transmission Customer.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____
Name

Title

Date

Transmission Customer:

By: _____
Name

Title

Date

ATTACHMENT G

STANDARD FORM OF NETWORK OPERATING AGREEMENT

THIS NETWORK OPERATING AGREEMENT ("Operating Agreement") between Arizona Public Service Company ("APS") and the Customer ("Customer") is made and entered into this ____ day of _____, 19__.

1. Recitals

- 1.1 The Customer has requested and APS has agreed to provide Network Integration Service under APS' Network Integration Service Transmission Tariff ("Tariff");
- 1.2 APS and the Customer have agreed to enter into this Operating Agreement to set forth certain operating understandings in order for APS to provide the requested network service.

NOW, THEREFORE, APS and the Customer agree as follows:

2. Definitions

Along with the definitions set forth below, the definitions in APS' Network Integration Service Tariff are hereby incorporated into this Operating Agreement.

- 2.1 **Data Acquisition Equipment:** Supervisory control and data acquisition ("SCADA"), remote terminal units ("RTUs") to obtain information from a Party's facilities, telephone equipment, leased telephone circuits, fiber optic circuits, and other communications equipment necessary to transmit data to remote locations, and any other equipment or service necessary to provide for the telemetry and control requirements of the Tariff.
- 2.2 **Data Link:** The direct communications link between the Customer's energy control center and APS' control center that will enable APS' control center to receive real time telemetry and data from the Customer(s) and the Customer(s) to receive real time telemetry and data from APS' control center.
- 2.3 **Metering Equipment:** State-of-the-art high accuracy, solid state kW and kWh meters, metering cabinets, metering panels, conduits, cabling, high accuracy current transformers and high accuracy potential transformers, which directly or indirectly provide input to meters or transducers, meter recording devices (e.g., Solid State Data

Receivers), telephone circuits, signal or pulse dividers, transducers, pulse accumulators, and any other metering equipment necessary to implement the provisions of the Tariff.

2.4 On Peak Hours: The On-Peak hours are the hours during the On Peak Period; the On Peak Period is Mondays through Saturday beginning hour ending 0700 through hour ending 2200, MST, excluding NERC-recognized holidays and the day after Thanksgiving. When any of these holidays fall on a Sunday, the following day will be recognized as the holiday.

2.5 Off Peak Hours: All other hours besides the "On-Peak hours".

2.6 Party or Parties: Means APS or Customer or both APS and Customer.

2.7 Protective Equipment: Protective relays, relaying panels, relaying cabinets, circuit breakers, conduits, cabling, current transformers, potential transformers, coupling capacitor voltage transformers, wave traps, transfer trip and fault recorders, which directly or indirectly provide input to relays, fiber optic communication equipment, power line carrier equipment and telephone circuits, and any other protective equipment necessary to implement the protection provision of this Tariff.

3. Term of Service

The term of this Operating Agreement between APS and the Customer shall be concurrent with the Service Agreement.

4. Points of Interconnection

Network Transmission Service will be provided by APS at the points of interconnection specified in the Service Agreement signed by APS and Customer, as amended from time to time. Each point of interconnection in this listing shall have a unique identifier, meter location, meter number, metered voltage, terms on meter compensation and designation of current or future year of in service.

Additional studies may be required before approval if Customer request changes to the interconnection points. The Customer will be responsible for the cost of these studies.

5. Customer Control Area

5.1 Customer Control Area: The Customer shall: (i) operate as a Control Area and fully comply with all criteria, policies, procedures and requirements of the North American Electric Reliability Council (NERC) and the Western Systems Coordinating Council (WSCC) or (ii) satisfy its Control Area requirements, including all Ancillary Services

by contracting with APS; or (iii) satisfy its Control Area requirements, including Ancillary Services, by contracting with another entity which can satisfy those requirements in a manner that is consistent with Good Utility Practice and satisfies, but not be limited to, all criteria, policies, procedures and requirements of NERC and WSCC; provided, however, that APS will not require adherence to any such criteria, policies, procedures and requirements to the extent that APS does not adhere to such criteria, policies, procedures and requirements. The Customer shall plan, construct, operate and maintain its facilities and system in accordance with Good Utility Practice, which shall include, but not be limited to, all applicable guidelines of the NERC and the WSCC, as applicable, as they may be modified from time to time, and any generally accepted practices in the region that are consistently adhered to by APS.

- 5.2 **Changing Control Areas:** If the Customer desires to change how it satisfies its Control Area requirements, the Customer must submit a new application for service under the Tariff.
- 5.3 **Control Area Operations:** APS and the Customer (or the Customer's host control area entity in the event the Customer is in another entity's control area) shall operate and maintain their respective control areas in a manner that will allow APS to safely and reliably operate the transmission system in accordance with the Tariff and with Good Utility Practice, so that either Party shall not unduly burden the other Party; provided, however, that notwithstanding any other provision of the Tariff, APS shall retain the sole responsibility and authority for all operating decisions that could affect the integrity, reliability and security of the transmission system.
- 5.4 **Control Area Equipment:** The Customer shall be responsible for the purchase, installation, upgrading, operation, maintenance and replacement of all Data Acquisition Equipment, Metering Equipment, Protection Equipment, and any other associated equipment and software, which may be required by either Party for the Customer to operate a Control Area in accordance with Good Utility Practice. APS shall have the right to review and approve such equipment and software as may be required to ensure conformance with Good Utility Practices, prior to its installation.
- 5.5 **Scheduling:** Scheduling, the procedure to establish use of resources and transmission facilities to meet anticipated loads (including interchange), is a service the Customer must obtain from APS any time that there is an energy transaction between it and another entity. The Customer shall notify APS of intended transactions, individual generator loading and Network load at each point no later than 10:00 a.m. MST, or mutually agreed to time, the last business day prior to Schedule implementation.

Schedules with APS may be either static or dynamic. Dynamic Schedules are updated in real time through telemetry and control equipment. Static schedules are metered and

updated manually, changes to these will be by voice and can occur no later than twenty (20) minutes before the schedule goes into effect.

Customer shall preschedule, confirm and implement its schedules with APS all interchange and transmission service transactions in accordance with APS standards, and practices and the terms and conditions of the Tariff.

- 5.6 **Control Area Data:** The Company shall incorporate the Customer's Metering Equipment and Data Acquisition Equipment into the Company's energy control center as the Parties determine to be necessary to incorporate the Member Systems into a single Control Area operating within the APS transmission system consistent with the terms and conditions of the Tariff.
- 5.7 **Regulation:** The Customer shall be responsible for insuring its system is operated in a manner to provide for its network load at all times, and to hold deviations from net interchange schedules to a minimum in accordance with the NERC and the WSCC requirements.
- 5.8 **Data Link Operations:** The selection of real time telemetry and data to be received by APS and the Customer shall be as necessary for reliability, security, economics, and/or monitoring of real-time condition that affect APS' transmission system. This telemetry shall include, but is not limited to, loads, line flows (real and reactive power), voltages, generator output, and breaker status at any of the Customer's transmission and generation facilities. To the extent that APS or the Customer requires data that is not available from existing equipment, the Customer shall, at its own expense, install any Metering Equipment, Data Acquisition Equipment, or other equipment and software necessary for the telemetry to be received by APS or the Customer via the Data Link. APS shall have the right to inspect equipment and software associated with the Data Link in order to assure conformance with Good Utility Practice.
- 5.9 **Computer Modifications:** Each Party shall be responsible for implementing any computer modifications or changes required to its own computer system(s) as necessary to implement the provisions of the Tariff. APS modifications for this shall be at the Customers expense.
- 5.10 **Metering:** The network load shall be metered on an hourly integrated basis in accordance with APS' standards or practices for similarly determining APS' load. The actual hourly network load during each calendar month shall be provided to APS by the Customer by the seventh day of the following calendar month.
- 5.11 **Real Time System Data Requirements:** The Customer shall provide or cause to be provided to APS via the Data Link, at least once every ten (10) seconds with data not

being older than twenty (20) seconds, loads, line flows, voltages, generator outputs, breaker status, etc. as necessary for APS to provide service under the Tariff and ensuring the security and reliability of the APS transmission system.

5.12 **Disturbances:** Each Party shall, insofar as practicable, protect, operate and maintain its system and facilities so as to avoid or minimize the likelihood of disturbances which might cause impairment of or jeopardy to service to the customers of the other Party, or to other interconnected systems.

5.13 **Maintenance Of Control Equipment:** The Customer shall, on a regular basis or at APS' request, and at its own expense, test, calibrate, verify, and validate the Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine Network Load. APS shall have the right to inspect such tests, calibrations, verifications, and validations of the Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine the Network Load. Upon APS' request, the Customer will provide APS a copy of the installation, test, and calibration records of the Metering Equipment, Data Acquisition Equipment, and other equipment or software. APS shall, at the Customer's expense, have the right to monitor the factory acceptance test, the field acceptance test, and the installation of any Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine the Network Load.

5.14 **Loss of the Data Link:** Whenever an outage of the Data Link occurs, all parties responsible for the component that is out should make every effort possible to correct the problem and minimize the outage time. An outage of the data link could result in the Customer receiving services from APS that it or a third party would normally provide. If the Customer or one of its contractors are responsible for the outage and it receives services from APS that it would not normally receive, APS will charge the Customer for these services at the rate allowed in the Tariff.

5.15 **Control Area Costs:** The Customer shall be responsible for all costs to establish, operate and maintain the Customer's Control Area services, including, but not limited to, engineering, administrative and general expenses, material, and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, relocation of equipment or software.

6. Operating Requirements

6.1 **Conditions:** A Customer interconnecting with the APS transmission system is obligated to follow the same practices and procedures for interconnection and operation that APS uses for its own load and resources.

Where Customer purchases Ancillary Services from third parties, the Customer shall have the responsibility to secure contractual arrangements with such third parties that are consistent with the Tariff, this Operating Agreement, any applicable rules and procedures of the Operating Committee, NERC and WSCC criteria, policies, procedures, and requirements.

6.2 Generation

6.2.1 Customer's Generation: The Customer shall operate its generating resources in a manner consistent with that of APS, including following voltage schedules, unblocked governors, and meeting power factor requirements at the point of interconnection with APS' system and other such criteria required by NERC and WSCC and consistently adhered to by APS.

6.2.2 Cogeneration and Small Power Production Facilities: If a Qualifying Facility is located or locates in the future on the system of the Customer, and the owner or operator of such Qualifying Facility sells the output of such Qualifying Facility to an entity other than the Customer, the delivery of such Qualifying Facility's power shall be subject to and contingent upon transmission arrangements being established with APS prior to commencement of delivery of any such power and energy.

6.3 Loss Compensation: Losses for the Customer's transmission shall be supplied by the Customer, APS, or a third party. The method used by the Customer to supply the losses will be determined and agreed to by APS and the Customer prior to this Agreement becoming effective. When it is agreed that the Customer can use more than one of the above methods to serve its losses, the Customer must notify APS at least one (1) working day before changing its supplier.

6.4 Voltage Support: The Customer will have sufficient reactive compensation and control to meet the power factor requirements specified below (such range to be adhered to except for momentary deviations or at APS' written consent) at each interconnection or point of delivery with each Member System. If the Customer does not provide the necessary reactive compensation and control to comply with the objectives described in this section, APS shall have the unilateral right to install such equipment to meet these standards at the Customer's expense.

POWER FACTOR REQUIREMENTS**0.95 (lagging) to 0.95 (leading)**

- 6.5 **Operating Reserve:** Customer shall meet its share of Operating Reserve by either: (i) providing its Operating reserves from its resources; or (ii) purchasing Operating Reserves from APS; or (iii) arranging to have a third party meet the Operating Reserve requirement.

Firm transmission rights on a path between the resource and the Customers load shall be in place before a third party can supply Operating Reserves. The operation and dispatch of third party resources used for the Operating Reserves must be coordinated with APS. Procedures for coordination will be developed by the Operating Committee.

Customer's Operating Reserve requirements will be determined in the following manner: APS shall calculate its Operating Reserve requirement under WSCC or the Inland Power Pool (IPP) guidelines, as applicable, for network load and resources and network loads and resources of all previously committed Tariff customers. The same calculation shall be performed including the Customer's network load and resources. The difference between the calculated amounts is the Transmission Customer's Operating Reserve obligation.

- 6.6 **Energy Imbalance:** The customer should operate its system at all times such that energy imbalances are minimized and stay within the acceptable deviation band of plus or minus 1.5% (with a minimum of 2 MW). When the Customer keeps its imbalance within the acceptable range, the imbalances will be corrected in the future by either APS or the Customer returning the energy in-kind as may be applicable. This will be done with preschedules as soon after the imbalance occurs as practical. Should the imbalance exceed the 1.5% band such that APS is supplying the Customer energy, the Customer will be charged for the energy above 1.5% at the rate specified in the Tariff. Should the Customer schedule an excess amount of energy and exceed the 1.5%, APS will return 90% of the energy above the 1.5%, at APS' convenience.
- 6.7 **Load Shedding:** APS and the Customer shall implement load shedding programs to maintain the reliability and integrity of the electrical system, as provided in Section 33.6 of the Tariff. Load shedding shall include: (1) automatic load shedding; (2) manual deep load shedding; or (3) rotating interruptions of customer load. APS will order load shedding to maintain the relative sizes of load served, unless otherwise required by circumstances beyond the control of APS or Customer. Automatic load shedding

devices will operate without notice. When manual deep load shedding or rotating interruptions are necessary, APS will notify Customer's dispatchers or schedulers of the required action and the Customer shall comply immediately. Compliance will be monitored and audited as determined by the Operating Committee.C

The Customer shall, at its own expense, provide, operate, and maintain in service high-speed, digital under frequency load shedding equipment. The Customer's equipment shall be: (1) compatible and coordinated with APS' load shedding equipment; and (2) set for the amount of load to be shed, with frequency trips and tripping time shown in Table C-1. In the event APS modifies the load shedding system, the Customer shall, at its expense, make changes to the equipment and setting of such equipment, as required.

Table C-1
Relay Setting for Automatic Load Shedding

	Frequency Set point (Hz)	Fixed Time Delay (Cycles)	Percent Load Shed
1st 10% Block of load	59.1	6	10
2nd 10% Block of load	58.9	6	10
3rd 10% Block of load	58.7	6	10
4th 10% Block of load	58.5	6	10
5th 10% Block of load	57.9	6	10

- 6.8 In the event the Customer fails to respond to these established Load Shedding and Curtailment procedures, the Customer shall be subject to the following charges and requirements:

- 6.8.1 Charges for Failure to Shed Load: APS will assess a charge for unauthorized use of transmission service at a rate equal to two (2) times the maximum allowable daily charge for Long-Term Point-to-Point Transmission Service set forth in Schedule 7 of the Tariff. The charge will be applied to the maximum number of kilowatts of any hour the customer fails to shed load as requested during the day (or alternatively the designated kilowatts of load to be shed for those customers having

automatic load shedding equipment). The customer will incur the charge for each day that it fails to comply with a request to shed load, and the charge will be based upon the curtailable load calculated using the maximum kilowatts of uncurtailed load of any hour during each day the customer is requested to shed load.

These charges are intended to serve as a disincentive to Transmission Customers who fail to shed load in accordance with the provision contained in this Tariff.

7. Emergency System Operations

- 7.1 The Customer, at its expense, shall be subject to all applicable emergency operation standards promulgated by NERC, WSCC, and APS which may include but not be limited to under frequency relaying equipment, load shedding equipment, and voltage reduction equipment.
- 7.2 APS reserves the right to take whatever action it deems necessary to preserve the integrity of the APS transmission system during emergency operating conditions. If the Network Transmission service at the points of interconnection is causing harmful physical effects to the APS transmission system facilities or to its customers (e.g., harmonics, under voltage, over voltage, flicker, voltage variations, etc.), APS shall promptly notify the Customer. If the Customer does not take appropriate corrective actions immediately, APS shall have the right to interrupt Network Transmission Service under the Tariff in order to alleviate the situation and to suspend all or any portion of Network Transmission Service under the Tariff until appropriate corrective action is taken.
- 7.3 In the event of any adverse condition or disturbance on the APS electric system or on any other system directly or indirectly interconnected with APS' transmission system, APS may, as it deems necessary, take appropriate action, that may result in the automatic or manual interruption of Network Transmission Service in order to: (i) limit the extent or damage of the adverse condition or disturbance; (ii) prevent damage to generating or transmission facilities; (iii) expedite restoration of service; or (iv) preserve public safety.

8. Redispatch Procedures

- 8.1 If APS determines that redispatching Network Resources (including reductions in off-system purchases) to relieve an existing or potential transmission system constraint is the most effective way to ensure the reliable operation of the transmission system, APS will redispatch APS' and the Customer's Network Resources on a least cost

basis, without regard to the ownership of such resources. APS will apprise the Customer of its redispatch practices and procedures, as they may be modified from time to time.

8.2 The Customer shall submit verifiable incremental and decremental cost data for its Network Resources, which estimates the cost to the Customer of changing the generation output of each of its Network Resources to APS by data link when submitting its preschedules. These costs will be used (along with similar data for APS' resources) as the basis for least-cost redispatch through the next business day. The APS grid operation staff shall keep these data confidential, including from APS marketing staff. If the Customer experiences changes to its costs during the following day, the Customer must submit those changes to the APS energy control center. APS will implement least-cost redispatch consistent with its existing contractual obligations and its current practices and procedures for its own resources. The Customer shall respond immediately to requests for redispatch from the APS energy control center.

8.3 The Customer may audit particular redispatch events at its own expense during normal business hours following reasonable notice to APS. Either the Customer or APS may request an audit of the other party's cost data by an independent agent at the requester's cost. Once redispatch has been implemented, APS will book in a separate account costs incurred by both APS and the Customer based on the submitted incremental and decremental costs. APS and the Customer shall each bear a proportional share of the total redispatch costs based on their then-current load ratio shares. APS shall bill or credit the Customer's monthly bill as appropriate.

9. Curtailments

To the extent that a transmission constraint on the APS Transmission System cannot be relieved through redispatch or other methods, APS will curtail schedules across the constrained area. To the extent practical and consistent with Good Utility Practice, schedule curtailments will be shared by APS and Customer in proportion to the then current load ratio shares of the constrained area. These curtailments will be in accordance with procedures established by the Operating Committee.

10. Maintenance of Facilities

10.1 **Notification:** The Operating Committee shall establish procedures to coordinate the maintenance schedules of generating resources, transmission equipment, substation equipment, data link equipment, data acquisition equipment, protective equipment and any other equipment for which maintenance must be scheduled for reliability or economic reasons. By September 1 of each year, the Customer shall provide to APS the

maintenance schedules and planned outages for the next year, this information shall be updated at least thirty (30) days in advance of the date specified for the forecasted maintenance.

- 10.2 The Customer shall obtain concurrence from APS at least three (3) work days before beginning any scheduled maintenance of its facilities.
- 10.3 The Customer shall obtain clearance from APS when Customer is ready to begin maintenance on a network resource, transmission line, or substation.
- 10.4 The Customer shall immediately notify APS at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.
- 10.5 The Customer shall notify and coordinate with APS prior to reparallelizing to the network resource, transmission line, or substation with the transmission system.

11. **Network Operating Committee**

- 11.1 **Network Operating Committee:** Each Party shall in writing appoint a member and an alternate(s) to a Network Operating Committee and to notify the other Party of such appointment(s). Such appointments may be changed at any time by similar written notice. The Network Operating Committee shall meet as necessary and review the duties set forth herein. The Network Operating Committee shall hold meetings at the request of either Party at a time and place agreed upon by the members of the Network Operating Committee. The Network Operating Committee shall meet once each year to discuss the information exchanged pursuant to this Section. Each member and alternate shall be a responsible person working with the day-to-day operations of each respective power system. The Network Operating Committee shall represent the Parties in all operational matters that may be delegated to it by mutual agreement of the Parties hereto.
- 11.2 **Responsibilities:** The Network Operating Committee shall: (i) adopt rules and procedures consistent with this Network Operating Agreement and the Tariff governing operating technical requirements necessary for implementing the Tariff; (ii) review network resources and network loads on an annual basis in order to assess the adequacy of the transmission network, and; (iii) obtain from APS, APS' operating policies, procedures, and guidelines for network interconnection and operation.
- 11.3 **Network Operating Committee Agreements:** Each Party shall cooperate in providing to the Network Operating Committee all information required in the performance of the Network Operating Committee's duties. All decisions and agreements, if any, made by the Network Operating Committee shall be evidenced in writing and shall be in

accordance with the Tariff. The Network Operating Committee shall have no power to amend or alter the provisions of this Network Operating Agreement or the Service Agreement.

- 11.4 **Dispute Resolution:** In the event of a dispute arises between the Network Operating Committee concerning the operation or the interpretation of the Operating Agreement, and the parties are unable to resolve it within a reasonable amount of time (not to exceed thirty (30) days), the dispute shall be resolved in accordance with the procedures specified in Section 12 of the Tariff.

12. Technical Data

- 12.1 **Annual Load Forecast:** The Customer shall provide APS by September 1st of each year the Customer's best forecast of the following calendar year's (i) monthly coincident peak network load of the Member Systems expressed in kW along with the power factor of each of the Member Systems at such time and, (ii) each individual Member System's monthly non-coincident peak loads expressed in kW along with the power factor of each of the Member Systems at such time. Such forecast shall be made using prudent forecasting techniques available and generally deemed acceptable in the electric utility industry.
- 12.2 **Annual Network Resource Availability Forecast:** The Customer shall provide to APS by September 1st of each year the Customer's best forecast of the following calendar year's planned Network Resource availability forecast (e.g. all planned resource outages, including off-line and on-line dates). Such forecast shall be made using prudent forecasting techniques available and generally deemed acceptable in the electric utility industry. The Customer shall inform APS, in a timely manner, of any changes to Customer's planned Network Resource availability forecast.
- 12.3 **Annual Operating Conflicts Due to Transmission Constraints:** In the event that APS determines that the annual Network Resource availability forecast cannot be accommodated due to a transmission constraint on the APS Transmission System, and such constraint may jeopardize the security of the APS Transmission System or adversely affect the economic operation of either APS or the Customer, to the extent possible, the Network Operating Committee will coordinate the annual Operating Network Resource availability forecast of both Parties to mitigate the transmission constraint.
- 12.4 **Daily Operations Forecast:** The Customer shall provide APS, at least 36 hours in advance of every calendar day, the Customer's best hourly forecast for the calendar day of the (i) maximum non-coincident flow (both import and export) at each of the APS interfaces with the Customer and/or the Member Systems, (ii) first contingency

maximum non-coincident flow (both import and export) at each of the APS interfaces with each Member System, (iii) any planned transmission or generation outage(s) on the system of any of the Member Systems or on a system other than that of APS where a Network Resource is located, (iv) the individual coincident Member Systems' loads along with the commitment/dispatch of the Network Resources at peak operating period(s) (the peak operating period(s) will be determined by APS operating personnel and may be changed from time-to-time as necessary), (v) operating reserve from each resource and each third party, (vi) transmission path reserved for operating reserves from third party(ies), and (vii) any other information that APS' operating personnel reasonably deem appropriate to safely and reliably operate the APS transmission system. The Customer shall keep APS informed in a timely manner, of any changes to its current daily operating forecast.

- 12.5 Daily Operating Conflicts Due to Transmission Constraints:** In the event that APS determines that the daily operating forecast cannot be accommodated due to a transmission constraint on the APS transmission system and such constraint may jeopardize the security and reliability of the APS transmission system or adversely affect the economic operation of either APS or the Customer, the load curtailment provisions of the Tariff will be implemented.
- 12.6 Network Planning Information:** In order for APS to plan, on an ongoing basis, to meet the Customer's firm long-term requirements for Network Integration Service the Customer shall provide APS with the information set forth in Sections 6.7 - 6.10. This type of information is consistent with APS' information requirements for planning to serve APS' Native Load Customers and is consistent with APS' ten (10) year planning process.
- 12.7 Annual Planning Network Load Forecast:** The Customer shall provide APS by September 1st of each year the Customer's best forecast of the following ten (10) calendar years' (i) monthly coincident Network Load and non-coincident Member Systems' Loads expressed in kW, and (ii) each individual Member System's monthly coincident and non-coincident loads expressed in kW along with the respective power factor. Such forecast shall be made using prudent forecasting techniques available and generally accepted in the electric utility industry.
- 12.8 Annual Planning Network Resource Forecast:** The Customer shall provide to APS by September 1st of each year (i) the Customer's best forecast of the next ten (10) years' planned network resources and all pertinent information regarding such Network Resources, (ii) a copy of the Customer's most current firm purchased power commitments (including the underlying agreement for purchased power) for the next ten (10) years on a unit specific basis for any network resource(s) which is a firm unit specific purchased power resource, and (iii) for purchased power commitments that are

non-unit specific, any information necessary for APS (including the underlying agreement for purchased power) to model how the purchased power commitment will be dispatched by the Customer to meet the network load; provided, however, that the information provided by the Customer pursuant to this Section 6.8 shall not be deemed a substitute for written notice required for designating new Network Resources.

12.9 Annual Planning Network Transmission Facilities: The Customer shall provide to APS by September 1st of each year plans of any additions or changes to its internal transmission facilities and/or each Member Systems' system (lines, transformers, reactive equipment, etc.) for each of the subsequent ten (10) calendar years.

12.10 Technical Data Format: The Customer shall provide APS the best available data associated with network resources and transmission facilities, for modeling purposes in an electronic format specified by APS. The electronic format specified by APS shall be a format commonly used in the electric utility industry.

IN WITNESS WHEREOF, the parties hereto have caused this Operating Agreement to be executed by their duly authorized officers effective as of the date first written above.

ARIZONA PUBLIC SERVICE COMPANY

By: _____
Title: _____
Date: _____

[THE CUSTOMER]

By: _____
Title: _____
Date: _____

ATTACHMENT H

**Annual Transmission Revenue Requirement
For Network Integration Transmission Service**

1. The 1995 Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$86,500,000.
2. The amount in (1) shall be effective until amended by the Transmission Provider or modified by the Commission.
3. All load and capacity quantities used in developing the Network Load and the Transmission Provider's total load in calculating the Network Customer's Load Ratio Share shall be adjusted to the Transmission System input level, i.e., shall include the transmission capacity amount associated with applicable losses.

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

Customer

Date of Service Agreement